



WESTERN PLACER
WASTE MANAGEMENT AUTHORITY

PAUL JOINER, LINCOLN, CHAIR
ROBERT WEYGANDT, PLACER COUNTY
JOHN ALLARD, ROSEVILLE
JACK DURAN, PLACER COUNTY
SCOTT YUILL, ROCKLIN
KEN GREHM, EXECUTIVE DIRECTOR

MEETING OF THE BOARD OF DIRECTORS

AGENDA

April 13, 2017 6:00 PM

**Materials Recovery Facility Administration Building
3033 Fiddymment Road, Roseville, CA 95747**

Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection at the Clerk of the Board, 3033 Fiddymment Road, Roseville, CA 95747, during normal business hours and at the meeting location immediately before and during the meeting. The Western Placer Waste Management Authority is committed to ensuring that persons with disabilities are provided the resources to participate fully in its public meetings. If you are hearing impaired, we have listening devices available. If you require additional disability-related modifications or accommodations, including auxiliary aids or services, please contact the Clerk of the Board at (916) 543-3960. If requested, the agenda shall be provided in appropriate alternative formats to persons with disabilities. All requests must be in writing and must be received by the Clerk five business days prior to the scheduled meeting for which you are requesting accommodation. Requests received after such time will be accommodated if time permits.

1. Call Meeting to Order
2. Pledge of Allegiance (Director Duran)
3. Roll Call
4. Statement of Meeting Procedures (Clerk of the Board)
5. Agenda Approval
6. Public Comment

This is a time when persons may address the Board regarding items not on this Agenda. It is requested that comments be brief, since the Board is not permitted to take any action on items addressed under Public Comment.

7. Announcements & Information
 - a. Reports from Directors ----
 - b. Report from the Executive Director (Ken Grehm) ----
 - c. Financial Reports (Valerie Bayne) Pg. 3
 - d. Monthly Tonnage Reports (Keith Schmidt) ----
 - e. Quarterly MRF Operator's Report (Nortech Waste) Pg. 7
 - f. Quarterly Landfill Operator's Report (Nortech Landfill) Pg. 11
 - g. Quarterly WPWMA Engineer's Report (Keith Schmidt) Pg. 13
8. Action Items
 - a. Minutes of the Board Meeting held December 8, 2016 Pg. 23
Approve as submitted.
 - b. Minutes of the Board Meeting held February 9, 2017 Pg. 25
Approve as submitted.
 - c. Support of the SWANA Legislative Task Force (Chris Hanson) Pg. 29
Authorize payment of \$2,000 to the Solid Waste Association of North America Legislative Task Force.

RECYCLING AND DISPOSAL MADE EASY

11476 C AVENUE AUBURN, CA 95603
(916) 543-3960 / (916) 543-3990 FAX
WWW.WPWMA.COM

- d. 2016 Legislative Summary and 2017 Legislative Strategic Agenda Pg. 39
(Chris Hanson)
Approve the 2017 Legislative Strategic Agenda prepared by Shaw / Yoder / Antwih, Inc.
- e. Facility Master Planning Project Update and Authorization to Enter Pg. 53
Into Discussions with Rio Bravo (Eric Oddo)
Authorize staff to enter into discussions with Rio Bravo Rocklin related to the potential feasibility of relocating their biomass operation to a portion of the WPWMA's property.
- f. Third Amendment to the Second Restated and Amended MRF Pg. 55
Operating Agreement with Nortech Waste LLC (Eric Oddo)
 - 1. Authorize the Chair to sign the Third Amendment to the Second Restated and Amended Operating Agreement with Nortech Waste LLC for operation of the Materials Recovery Facility, which modifies the Cost of Living Adjustment methodology in the Agreement.
 - 2. Approve the attached Budget Revision canceling \$1,207,654 from Assigned Contingency reserves and increase appropriations in line item 2546 for MRF Operations to cover the increase in the processing fees paid to Nortech Waste LLC in FY 2016/17.
- 9. Upcoming Agenda Items
Identification of any items the Board would like staff to address at a future meeting.
- 10. Adjournment

WESTERN PLACER WASTE MGMT

INCOME STATEMENT

Year-to-Date Variance, February 2017 - current month

	<i>8 Months Ended February 28, 2017</i>	<i>8 Months Ended February 28, 2017 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
INCOME				
LANDFILL/MRF OPS 51130	15,765,147.65	15,523,153.36	241,994.29	1.6 %
CLOSURE/POST CLOSURE 59513	145,328.27	149,892.64	(4,564.37)	-3.0 %
SOLID WASTE-ROAD IMPV	16,769.66	16,523.36	246.30	1.5 %
MISCELLANEOUS OTHER REV	168,825.63	194,253.36	(25,427.73)	-13.1 %
CASH OVERAGE	140.39	0.00	140.39	
TOTAL INCOME	16,096,211.60	15,883,822.72	212,388.88	1.3 %
NET INCOME	16,096,211.60	15,883,822.72	212,388.88	1.3 %
GROSS PROFIT	16,096,211.60	15,883,822.72	212,388.88	1.3 %
EXPENSES				
A-87 COSTS	120,967.00	95,561.36	(25,405.64)	-26.6 %
UNIFORMS	3,433.73	1,000.00	(2,433.73)	-243.4 %
COMMUNICATIONS	12,402.69	22,000.00	9,597.31	43.6 %
INSURANCE	67,208.00	70,876.00	3,668.00	5.2 %
GEN LIABILITY INS	42,020.98	43,020.98	1,000.00	2.3 %
PARTS	70.99	666.64	595.65	89.4 %
MAINTENANCE-EQUIP	0.00	1,666.64	1,666.64	100.0 %
MAINTENANCE-BLDGS & IMP	2,399.28	13,333.36	10,934.08	82.0 %
DUES, SUBSC, MEMB	1,334.57	1,000.00	(334.57)	-33.5 %
DEPT CASH SHORTAGE	65.41	200.00	134.59	67.3 %
PC ACQUISITION	0.00	1,200.00	1,200.00	100.0 %
PRINTING	9,277.17	11,333.36	2,056.19	18.1 %
OFF SUPPLIES & EXP	5,204.16	3,666.64	(1,537.52)	-41.9 %
POSTAGE	7,252.30	5,000.00	(2,252.30)	-45.0 %
MRF OPERATIONS	8,038,125.50	8,783,528.64	745,403.14	8.5 %
LANDFILL OPERATIONS	1,045,204.72	1,504,034.00	458,829.28	30.5 %
ADMINISTRATION	123,766.90	202,018.00	78,251.10	38.7 %
COMMISSIONERS FEES	1,300.00	2,400.00	1,100.00	45.8 %
PROF SVCS-PURCHD 51130	957,045.74	1,629,343.36	672,297.62	41.3 %
PROF/SPEC SVCS-COUNTY	36,876.27	86,666.64	49,790.37	57.5 %
PUBL & LEGAL NOTICES	6,452.36	6,666.64	214.28	3.2 %
COUNTYWIDE SYSTEMS	28,471.00	0.00	(28,471.00)	
RENTS & LEASES-EQUIP	0.00	2,666.64	2,666.64	100.0 %
SPECIAL DEPARTMENT EXP	370,394.74	452,606.64	82,211.90	18.2 %

	<i>8 Months Ended February 28, 2017</i>	<i>8 Months Ended February 28, 2017 Budget</i>	<i>Variance Fav/<Unf></i>	<i>% Var</i>
TRAINING	1,015.00	666.64	(348.36)	-52.3 %
TRAVEL & TRANSPORTATION	564.72	2,000.00	1,435.28	71.8 %
MILEAGE	1,330.58	1,066.64	(263.94)	-24.7 %
COUNTY VEHICLE MILEAGE	6,532.18	7,166.64	634.46	8.9 %
MEALS/FOOD PURCHASES	486.03	533.36	47.33	8.9 %
UTILITIES	38,397.66	66,666.64	28,268.98	42.4 %
WTR & SEWAGE-SPEC DIS	2,662.00	666.64	(1,995.36)	-299.3 %
ENVIRONMENTAL ENGINEERING	1,683,630.70	1,937,146.64	253,515.94	13.1 %
TOTAL EXPENSES	12,613,892.38	14,956,368.74	2,342,476.36	15.7 %
INCOME FROM OPERATIONS	3,482,319.22	927,453.98	2,554,865.24	275.5 %
OTHER INCOME/(EXPENSES)				
EQUIPMENT	(34,510.85)	(35,000.00)	489.15	1.4 %
INTEREST REVENUE 51130	173,226.08	138,256.00	34,970.08	25.3 %
RENTS	65,938.99	60,051.36	5,887.63	9.8 %
STATE AID	8,283.16	63,333.36	(55,050.20)	-86.9 %
INT INCOME- NOTE RECEIVABLE	107,631.84	103,065.36	4,566.48	4.4 %
CONSTRUCTION PROJECTS	(883,935.84)	(2,371,477.36)	1,487,541.52	62.7 %
TOTAL OTHER INCOME/(EXPENSES)	(563,366.62)	(2,041,771.28)	1,478,404.66	72.4 %
NET INCOME BEFORE TAXES	2,918,952.60	(1,114,317.30)	4,033,269.90	361.9 %
NET INCOME	2,918,952.60	(1,114,317.30)	4,033,269.90	361.9 %

WESTERN PLACER WASTE MGMT

BALANCE SHEET

February 2017

ASSETS

CURRENT ASSETS

CASH IN 51130	21,211,949.86
CASH IN 59513	12,200,625.81
CASH IN 59517	7,096,884.28
CASH-MARKET VALUE GAINS/LOSSES	117,115.00
CASH-MARKET VALUE GAINS/LOSSES 59513	73,245.00
CASH-MARKET VALUE GAINS/LOSSES 59517	42,738.00
ACCOUNTS RECEIVABLE	1,614,760.00
ALLOWANCE FOR UNCOLLECTED A/R	(6,167.16)
NOTES RECEIVABLE	2,922,023.09
LAND IMPROVEMENTS	9,079,390.62
LAND	13,024,847.55
BUILDINGS & IMPROVEMENTS	58,205,565.70
ACCUMULATED DEPR-B & I	(36,436,349.69)
EQUIPMENT	626,925.44
ACCUMULATED DEPR-EQUIP	(253,572.15)
ACCUMULATED DEPREC LAND IMPR	(639,426.02)
IMPREST CASH-WPWMA	8,600.00

TOTAL CURRENT ASSETS

88,889,155.33

TOTAL ASSETS

88,889,155.33

LIABILITIES

CURRENT LIABILITIES

CONTRACTOR RETENTION PAYABLE	41,234.41
LANDFILL CLOSURE/POST CLOSURE	11,456,435.00
A/P FUND 51130	1,729,481.96

TOTAL CURRENT LIABILITIES

13,227,151.37

TOTAL LIABILITIES

13,227,151.37

CAPITAL

NET ASS INSTD CAP ASS NET DEBT	43,607,381.43
NET ASSTS HLD IN TRUST	2,000,583.19
DESIGNATED FOR FA ACQUIS	8,623,772.00
RESERVE FOR FUT OCCUR 59517	7,196,920.00
DESIGNATED FOR CONTINGENCIES	9,844,237.74
GENERAL RESERVE FUND 59513	1,118,522.00
RESERVE FOR IMPREST CASH	8,600.00
RESERVE FOR HHW CLOSURE	33,431.00
DESIGNATED FOR ROAD IMPV	309,604.00
YTD NET INCOME	2,918,952.60

TOTAL CAPITAL

75,662,003.96

TOTAL LIABILITIES & CAPITAL

88,889,155.33

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**MATERIALS RECOVERY FACILITY
QUARTERLY OPERATIONS REPORT
TO
WESTERN PLACER WASTE MANAGEMENT
AUTHORITY**

**2ND QTR, 21ST OPERATING YEAR
ENDING DECEMBER 31ST, 2016**



**NORTECH WASTE LLC
3033 FIDDYMENT ROAD
ROSEVILLE, CA 95747
916-645-5230**

OPERATIONS REPORT
Materials Recovery Facility Operation
Quarter Ending December 31st, 2016 (2nd Qtr. 21st Operating Year)

PROCESSED TONNAGE AND RECOVERY LEVEL:

Processed Tonnage: Nortech processed 86,978 tons through the Materials Recovery Facility (MRF) during the quarter. Of this, 60,771 tons were municipal solid waste, 13,950 tons were source separated green waste, 423 tons were source separated wood waste and 11,834 tons were construction and demolition waste.

Recovery Level: Overall recovery for the quarter was 39.96%. Creditable recovery for the Materials Recovery Facility was 23.31% or 1.31% above the guaranteed minimum recovery level of 22%. Creditable recovery for Construction and Demolition waste was 52.56% or 2.56% above the guaranteed minimum recovery level of 50%.

MECHANICAL PERFORMANCE OF THE MRF:

The plant operated at 89.76% mechanical up time (441.44 hours out of 491.8) during the quarter. Electrical, mechanical and other problems are maintained in spreadsheets for easy assessment of reoccurring problems and are available for Authority staff for review.

STAFFING:

Staffing for the period averaged 191 full time equivalent employees. The permanent, full time staff averaged 124, and contract service employees averaged 67. Approximately 3% of employees were employed on the Tipping Floor, 38% on the Sort Line, 6% in Finished Product, 3% in Buyback, 1% in Composting, 13% in C&D, 2% in HHW, 13% in Maintenance, 6% in Clean Up, 3% in House & Yard, 4% in Administration, 3% in Transportation, and 3% in Public Receiving.

SPECIAL OCCURRENCES:

As of June 1st, 2016, special occurrences are now reported to the Authority on a daily basis by designated Nortech staff. A brief summary of the special occurrences that occurred during the quarter are summarized below; a detailed description of each occurrence can be found in WPWMA's Special Occurrence Log.

<u>Item</u>	<u>Date</u>	<u>Location</u>	<u>Occurrence</u>
1.	11/4/16	Maintenance	Customer washed water-based paint near storm drain
2.	11/15/16	C&D	Small debris fire on grinder
3.	11/27/16	Scale House 4	Nortech driver clipped Scale House gutter
4.	11/24/16	Fiddymment Road	Motorist drove through fencing
5.	12/6/16	Fiddymment Road	Motorist drove through fencing, took out tree
6.	12/11/16	C&D	Small spontaneous combustion fire in ground green waste
7.	12/22/16	Sort Line	An employee on the sort platform collapsed and perished in route to the Emergency Room by ambulance

SALES:

Sales totaled 28,945 tons for the quarter. Sales in tons and average price by major commodity were:

Commodity	Tons	Average Price P/T
ADC	7670.83	\$0.00
Aluminum Cans	81.48	\$4,364.26
Aluminum Scrap	36.22	\$405.40
Batteries	12.67	\$537.73
Cardboard	2416.69	\$138.99
Compost	4914.86	\$19.11
Compost Overs	4030.00	\$0.07
CRT's	54.31	\$67.34
E-Waste	28.77	\$57.64
Glass	678.18	\$94.47
HDPE-Colored	127.82	\$392.97
HDPE-Natural	133.59	\$559.68
Inerts	643.06	\$0.00
Misc HHW Disposal	439.47	\$0.00
Misc Recyclables	24.88	\$(25.92)
Mixed Rigid Large	332.08	\$101.89
Mixed Waste	499.96	\$107.41
Newspaper	203.05	\$148.86
PET-Grade A	44.82	\$3,007.57
PET-Grade B	288.30	\$1,865.98
Scrapping Material	31.93	\$651.55
Steel	2389.99	\$73.49
Used Oil	1.80	\$236.11
Wood Chips	3860.41	\$0.54

TRAINING:

- New Hire Safety Orientation – 5 employees
- Continued Forklift/Loader training and certification
- Lockout/Blockout training
- Tailgate Meetings – Lockout Blockout, Fire Extinguisher Safety, Traffic Around Heavy Equipment, Proper Way to Wear PPE

HEALTH AND SAFETY:

There were 5 reportable injuries for the quarter. There were zero days lost time and 16 restricted duty days. The injuries are:

Date	Position	Location	Incident
10/4/2016	Sorter	Break Room	Tripped on mat, fell on knee
10/7/2016	Mechanic	Screen, 20	Cut left shin cleaning screen
10/26/2016	Sorter	Sort Line, 5	Pricked hand on sharp object
10/28/2016	Sorter	Sort Line, 5	Fish hook stuck in left thumb
12/22/2016	Sorter	Sort Line, C-29	Employee collapsed

REGULATORY COMPLIANCE:

No Violations or Areas of Concern were received by the LEA during the quarter as they relate to Nortech portions of the operation. The facility received good comments from CalRecycle in all areas during the 18-Month Inspection that took place on November 8th, 2016.

HOUSEHOLD HAZARDOUS WASTE PROGRAM:

A comprehensive report is submitted monthly to Authority staff that identifies types and quantities of materials, origin of persons using the facility, materials recycled, etc. In summary, 4,476 customers used the facility during the quarter, 23,095 gallons of liquid waste were processed, 13 tons of lead acid batteries were recycled and 8 tons of household batteries were recycled.

SUMMARY:

Plant operations during the quarter have been consistent with normal operations.

Respectfully Submitted,



Paul Szura
General Manager
Nortech Waste, LLC

PRS:bt

CC: B. Jones, E. Tapia, D. Dwinger



January 15, 2017

Western Placer Waste Management Authority
Attn: Keith Schmidt, P.E., Senior Civil Engineer
11476 "C" Avenue
Auburn, CA 95603

RE: NLI Quarterly Landfill Operations Report – 2nd Quarter of the 8th Operating Year in 2016 (October, November, December)

Dear Mr. Schmidt,

Pursuant to Section 8.4 "Quarterly Reporting" of the Agreement between the Western Placer Waste Management Authority (Authority) and Nortech Landfill, Inc. (NLI) for operation of the Western Regional Sanitary Landfill (WRSL), NLI submits the following summary of operational activities conducted by NLI during the 2nd quarter of the 8th operating year – October, November, and December, 2016.

Operations

Operations included the burial of 65,657 tons of waste with 1.84 tons of recyclable materials recovered during the quarter. Filling operations consisted of placing waste in Module 5. Other operations included the placement of gas line cover in Module 5, cap cover in Module 16, drainage berms in Modules 16 and 5, and placement of erosion control. Approximately 400 CY of soil and 195 CY of crushed rock was used for gas line cover in Module 5; approximately 2,021 CY of soil was used for cap cover in Module 16; an estimated 451 CY of soil was used in Module 16 drainage berms while 640 CY were used in Module 5; an estimated 103 CY of reground overs were used for erosion control.

Inspections

Daily load checking and random inspections were performed during the quarter. Monthly site safety inspections were performed by NLI staff, and the Local Enforcement Agency (LEA) performed three random site inspections during the quarter and there were no Violations or Areas of Concern as it relates to NLI portions of the landfill. A joint CalRecycle/LEA 18-month inspection was conducted on November 8th and there were no Violations or Areas of Concern as it relates to NLI portions of the landfill. Copies of all inspection reports are included in the NLI operating reports that are submitted to the Authority each month.

Cover Soil Utilization

NLI continues to use tarps, and reuse cover soil in order to minimize the burial of operational material. In addition, NLI uses Alternative Daily Cover (ADC) to maximize Materials Recovery Facility diversion rates and reduce the Authority's tax liability. These combined activities resulted in an average waste to operational material ratio of

3.40:1. Although lower than the 5:1 waste to operational material ratio listed in the contract, NLI is still meeting the intent of the contract by minimizing the quantity of soil and inert material to conserve air space. NLI could use less ADC but would then need to bury the ADC as residue and increase the amount of soil used.

Tonnages

The following table includes a summary of buried waste and operational material consumed at the WRSI for the quarter.

Month	Taxable Buried Waste (Tons)	Estimated Taxable Buried Waste (CY)*	Operational Material Utilized (CY)			Waste to Operational Material Ratio (CY)**	
			ADC	Soil	Inert	W/ADC	W/O ADC
October	21,128	33,513	3,561	3,321	2,788	3.53:1	6.25:1
November	22,305	20,181	3,431	3,510	0	2.83:1	6.78:1
December	22,224	29,072	3,769	3,329	410	3.84:1	8.80:1
TOTAL	65,657	82,766	10,761	7,170	3,198	3.40:1	7.27:1

Note: *Estimated Taxable Buried Waste (CY) Calculated by using monthly surveyed volumes collected by NLI and subtracting the Total Operational Material Utilized

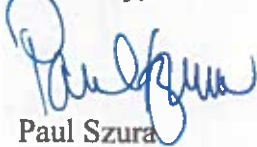
**Ratio Calculated by Estimated Taxable Buried Waste divided by Total Operational Material (Volume surveyed for the quarter: 108,250 CY)

Compaction Results

NLI has equipped their compactor with a global positioning system (GPS) to track the amount of airspace consumed by waste each day. For the quarter, the total airspace consumed as provided by GPS survey was 108,250 cubic yards (CY). Using the scale house records of waste tonnage received and the GPS total airspace consumed, the average density of the buried waste was calculated to be 1,267 lbs/CY, which is above the contractual range of 1,100 to 1,200 lbs/CY.

Please let me know if you require any further assistance regarding this report.


Sincerely,



Paul Szura
Contractor's Representative
Nortech Landfill, Inc.

PRS:bt

**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS**
FROM: **KEN GREHM / KEITH SCHMIDT** 
SUBJECT: **QUARTERLY WPWMA ENGINEER'S REPORT**

DATE: **APRIL 13, 2017**

RECOMMENDED ACTION:

None. This report is for information purposes only.

BACKGROUND:

This report summarizes notable events related to the WPWMA's operations that occurred between October 2016 and March 2017 focusing primarily on the effects of winter storms on our facilities and operations.

Landfill Gas System Operation

Over the past year, the WPWMA has experienced an unexpected decline in the quantity of landfill gas (LFG) it has been able to collect. Staff has identified several potential factors which have likely contributed to this decline. They include taking gas wells offline: 1) in Modules 15 and 16 to accommodate ongoing landfill operations, 2) in response to the subsurface oxidation event (Event) that was discovered on May 8, 2016 near the Module 10 leachate sump, and 3) to facilitate construction of improvements to the LFG collection system. Additionally, Cornerstone has identified liquid levels or physical damage in a number of LFG wells which appear to be impacting the operational effectiveness of these wells. Some of the wells that were previously taken offline have been reactivated and LFG flows have been observed to increase as a result of these actions. Furthermore, the current LFG system expansion construction project (discussed below) includes specialized LFG wells that are capable of collecting LFG and pumping liquids from the well casing simultaneously. Staff anticipates this new well configuration will allow us to control potential liquid intrusion in these wells.

LFG Exceedances at Perimeter Probes

As a result of the well shutdown near the Module 10 Event, elevated LFG levels have been recorded at two of the perimeter monitoring probe clusters along the northeast site border. In response to these elevated LFG readings, the Local Enforcement Agency (LEA) issued a Notice of Violation (NOV) to the WPWMA (attached). No monetary penalty has been identified by the LEA as part of this NOV.

In an effort to mitigate these exceedances, staff has directed Cornerstone to begin turning LFG wells on in Modules 1, 2, 10 and 11 and to continue to monitor the Event to ensure the extent of the Event area is not increasing. At the present time, the nearby perimeter probes remain in exceedance of the regulatory limits although operation of the LFG wells in the area does appear to be having a positive influence on the perimeter probes and the Event area does not appear to be expanding.

Landfill Gas System Construction

As noted above, the WPWMA is currently in the process of expanding the LFG collection system. At the October 13, 2016 meeting, your Board authorized the

Executive Director to execute an agreement with R.J. Gordon which involves installing 20 additional LFG collection wells, upgrading and expanding the piping network, and replacing the blower/flare station. Due to the abnormally wet winter, the construction project has experienced numerous weather-related delays. Because of the intermittent status of construction during this period, portions of the LFG collection system in Modules 15 and 16 (the southernmost landfill modules) have been periodically taken offline to avoid the potential of starting a second subsurface oxidation event. Fortunately, over the past few weeks there have been opportunities to resume construction activities and as of the date of this report, 14 of the 20 wells have been completed and connected to the LFG collection system and are in the process of being activated and balanced. Staff is confident that the connection of these new wells will both increase the amount of LFG collected and reduce the potential for LFG surface emissions and LFG-related odors.

Energy 2001

To provide an independent review of the possible reasons for the decline in LFG delivery rates, Energy 2001 contracted with Specialized Biogas Services (SBS) to evaluate the WPWMA's LFG collection system; results of the study were generally in line with Cornerstone's and staff's findings and the WPWMA has already implemented (or is in the process of implementing) actions which are consistent with SBS's recommendations.

At the February 9th meeting, Energy 2001 submitted a letter to your Board requesting the WPWMA adjust the royalty rate structure in the Amendment to their Lease Agreement that went into effect on April 10, 2017 in consideration of the reduced LFG delivery rates. Staff has met with Energy 2001 and has conceptually agreed on a restructured royalty payment methodology. Staff anticipates returning at an upcoming meeting with a proposed Amendment that identifies a revised royalty rate methodology for your Board's consideration.

Odors

In March, the WPWMA received a total of 92 odor notifications, 65 of which were received between March 11th and March 16th. Of these, a majority were from the Crocker Ranch and Fiddymont Farms subdivisions. Based on wind conditions, the reduced LFG collection in Modules 15 and 16 due to construction activities, and weather-related construction delays, it is reasonable to conclude that LFG was the likely source of many of the odors experienced by nearby residents.

On March 24th, the Placer County Air Pollution Control District (APCD) issued the WPWMA an NOV (attached) for causing an odor nuisance; at this time, the APCD has not identified a monetary penalty for this NOV. Staff will be meeting with the APCD in the coming days to discuss the situation and resolve the NOV. Staff intends to provide a comprehensive report of this incident to your Board at an upcoming meeting.

Landfill Leachate Seeps

In addition to causing construction delays, the abnormally wet winter contributed to the formation of leachate seeps. These seeps occur when leachate formed within the landfill leaks from the landfill surface instead of draining to the underlying leachate

collection system. If not addressed immediately, these leachate seeps have the potential to contaminate stormwater; any contaminated stormwater must then be pumped to the sanitary sewer rather than being discharged as clean stormwater to offsite drainage ways.

Between February 13 and February 21, WPWMA staff identified more than 20 leachate seeps, most of which occurred in the current filling area (Module 5) with several also occurring in other areas filled within the last two years¹. Staff believes the high rate of occurrence of leachate seeps were likely due to: 1) experiencing a very wet winter, 2) areas of the landfill that had minimal or insufficient soil cover, and 3) relatively flat top deck surface slopes of the waste mass which may have negatively impacted efficient shedding of stormwater from the waste mass.

Because of the timing in which Module 5 was available to Nortech to begin filling, the resultant direction of fill operations conducted by Nortech, and inadequate use of soil berms to separate waste areas from stormwater areas in some cases, some of the leachate from the seeps flowed to low points in the module and mixed in an onsite pond with stormwater. As a result of this mixing and contamination of stormwater, Nortech was obligated to pump and truck approximately 4,000,000 gallons of contaminated stormwater to the sanitary sewer for disposal.

Information about the seeps, including their location, estimated flow rates, and efforts to mitigate and remediate the seeps has been provided to the Regional Water Quality Control Board (RWQCB). The RWQCB has issued an NOV to the WPWMA related to these seeps, requiring additional sampling, and reporting, and may issue a monetary fine related to this issue in the future.

Administrative Offices Water Damage

The winter storms also resulted in water damage to portions of the WPWMA's administrative offices. After the initial clean-up, WPWMA and Nortech staff noticed the presence of mold in several of the office spaces. Staff immediately scheduled and coordinated mold abatement activities with Placer County's Building Maintenance and Capital Improvements divisions which included removal of all carpet and the bottom 3 feet of interior wall board from the affected areas. Staff is investigating the potential repairs, which may include exterior drainage improvements. While firm costs are not yet available, preliminary estimates suggest the mold abatement, building repair, and drainage improvement costs will be on the order of \$250,000.

ATTACHMENTS: LEA NOV DATED JANUARY 31, 2017
APCD NOV DATED MARCH 24, 2017
RWQCB NOV DATED MARCH 3, 2017

¹ Historically approximately 1 to 2 relatively minor leachate seeps occur at the WRSF during most normal winters.

Disposal Facility Inspection Report (52)

Enforcement Agency:		County of Placer	
SWIS Facility File Number (99-xx-9999)		Inspection Date	
31-AA-0210		1/31/2017	
Program Code		LEA Periodic	
Time In		Time Out	
Facility Name		Received By	
Western Regional Landfill		Western Placer Waste Mgt Authority	
Facility Location		Owner Name	
3195 Athens Road Ap #17-060-02, Lincoln 95648		WPWMA	
Inspector		Also Present (Name)	
Paul Holloway		see notes	

THE ABOVE FACILITY WAS INSPECTED FOR COMPLIANCE WITH APPLICABLE SECTIONS OF DIVISION 30 OF PUBLIC RESOURCES CODE (PRC) AND TITLE 14 AND TITLE 27 CALIFORNIA CODE OF REGULATIONS (CCR)

No Violations or Areas of Concern	
--	--

V	A	Regulations
	X	20680 - Daily Cover
<p>Comments: Erosion caused by recent wet weather caused some areas of garbage to appear on the side slope within Module 5. Operator was informed and quickly acted to rebury waste and track walk the area for compaction.</p> <p>Continue to monitor area for exposed waste with upcoming storm events.</p>		
X		20921 - Gas Monitoring and Control
<p>Comments: LEA/CalRecycle LFG screening: GM-3(s) 0.4% CH₄ by volume (V) GM-3(m) 35% CH₄ V GM-3(d) 35% CH₄ V</p> <p>LEA and CalRecycle staff were informed by Cornerstone that GM-4x was also out of compliance.</p> <p>A remediation plan for GM-3 has been received, but will be expanded by the owner to include GM-4x and other possible future influenced wells.</p>		

Inspection Report Comments:	
<p>CalRecycle staff present: John Loane, Anthony VanderSchaaf, Will Heung, and Eric Tanner. WPWMA staff: Keith Schmidt Nortech staff: Brandi Tapia, Brian Jones.</p> <p>1) Continue to monitor adjacent roads for windblown litter. Some minor litter observed on Foothills Blvd. 2) Some odors observed around Module 16. Facility should continue to mitigate these odors.</p> <p>ec: CalRecycle; Brandi Tapia, Nortech (brandi@nortechwaste.com); Paul Szura, Nortech (paul@nortechwaste.com); Christina Hanson, Placer County Environmental Engineering (chanson@placer.ca.gov); Keith Schmidt, Placer County Environmental Engineering (kschmidt@placer.ca.gov); Stephanie Ulmer, Placer County Environmental Engineering (sulmer@placer.ca.gov); Heather Wilden, Placer County Environmental Engineering (hwilden@placer.ca.gov); Paul Sanders, Regional Water Quality Control Board (paul.sanders@waterboards.ca.gov).</p> <p>c: file</p>	

NOTICE OF VIOLATION

March 24, 2017

Attn: Eric Oddo
Western Placer Waste Management Authority
11476 C Avenue
Auburn, CA 95603

RECEIVED
FACILITY
2017 MAR 30 PM 4:09

Notice of Violation:

Number: 4048
Date(s): March 14, 2017
Location: 3033 Fiddymont Road, Roseville, California

This letter is your notice that the Placer County Air Pollution Control District (District) has made the finding that you are responsible for violation(s) of District rules and regulations or state/federal air pollution laws. District rules can be viewed at <http://www.placerair.org/departments/air/rules>.

Violation Circumstances:

Residents at 24 separate residential locations in the North Roseville Crocker Ranch and Settler's Ridge area submitted online notifications to the Western Placer Waste Management Authority regarding unpleasant odors during the time period of 5 p.m. to 10:30 p.m. on the above date. See the attached list and map showing location of the resident that submitted the notification, date and time the odor was detected, odor intensity rating and odor description.

The District has determined that the landfill was the source of the unpleasant odor. This is based on: (1) the prevailing very light breeze coming from the north and north-east direction, which is from the landfill directly toward the locations of the notifications; (2) the absence of other odor sources that would produce the type of odor described in the notifications; (3) sources of odors from your facility operations that include landfill gas fugitive surface emissions, improperly sealed landfill gas wells, landfill leachate seepage and discharges to open holding ponds, and uncovered trash deposited in the new active module.

The odor caused a nuisance to the neighboring community. A total of 87 notifications have been submitted during the time period from March 1 – 22 demonstrating a persistent unaddressed odor nuisance. This is a violation of District Rule 205, Nuisance (and similar California Health and Safety Code Section 41700).

Settlement Offer:

Based upon our investigation, there is sufficient information to proceed with a civil action pursuant to California Health and Safety Code, Article 3, Section 42402. As is provided for in State law, it is the

District's policy to settle these matters through a mutual settlement process in lieu of pursuing this case in court.

The District requests a meeting at our office to discuss a resolution to this matter. Please let me know, at (530) 745-2337 or bsprings@placer.ca.gov, what time you would be available to meet at the District office.

For this violation, considered negligent emissions, you have a liability of up to \$25,000 per violation per day under California Health and Safety Code Section 42402.1.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Bruce Springsteen', with a stylized flourish extending to the right.

Bruce Springsteen
Compliance and Enforcement Manager

Attachments: List of notifications
Map of notifications
Lincoln Airport Weather Data

Central Valley Regional Water Quality Control Board

3 March 2017

Bill Zimmerman
Deputy Executive Director
Western Placer Waste Management Authority
11476 C Avenue
Auburn, CA 95603

RECEIVED
FACILITY SERVICE
2017 MAR -6 AM 8:22

NOTICE OF VIOLATION AND INSPECTION REPORT, WESTERN REGIONAL SANITARY LANDFILL, PLACER COUNTY

The Western Regional Sanitary Landfill is regulated by Waste Discharge Requirements (WDRs) Order R5-2007-0047. On 15 February 2017, Central Valley Water Board staff met Keith Schmidt and Michael Boak with the Western Placer Waste Management Authority, and Paul Szura and Brandi Tapia, with Nortech Waste LLC, at the site to conduct an inspection of the facility. Nortech Waste LLC runs the day to day operations at the landfill under contract from the Western Placer Waste Management Authority. As noted in the attached Inspection Report, Water Board staff observed the following violations and areas of concerns:

Observed Violations:

1. The leachate seeps occurring and draining into waste management unit (WMU) Module 5, along with visible waste outside the working face in Module 5, and the absence of a clear divide between the working face and the rest of Module 5, has allowed leachate to commingle with stormwater, which the Discharger has pumped into the site's unlined stormwater drainage system. This discharge is a violation of Prohibitions A.2 and A.9 of the WDRs and Section XII (F) of Standard Provisions.

Prohibition A.2 of the WDRs states - *The discharge of wastes outside of a Unit or portions of a Unit specifically designed for their containment is prohibited.*

Prohibition A.9 of the WDRs states - *The discharge of solid or liquid waste or leachate to surface waters, surface water drainage courses, or groundwater is prohibited.*

Section XII (F) of Standard Provisions states - *Precipitation on landfills or waste piles which is not diverted by covers or drainage control systems shall be collected and managed through the leachate collection and removal system, which shall be designed and constructed to accommodate the precipitation conditions for each class Unit [27 CCR §20365(b)].*

2. The wastes scattered across Module 5, outside the working face, and visible in the partially open boring of a gas extraction well in Module 15, are violations of Section 20680 (a) of Title 27, which states in part:

... the owners or operators of all municipal solid waste landfill units shall cover disposed solid waste with a minimum of six inches of compacted earthen material at the end of each operating day, or at more frequent intervals if necessary, to control vectors, fires, odors, blowing litter, and scavenging.

Additionally, should waste disposal not resume in an area for over 180 days, an intermediate cover of at least twelve inches shall be placed atop the waste, as required by Title 27, Section 20700 (a).

Areas of Concern:

- Numerus seeps were observed across Module 5, 15, and 16.
- Minor ponding and/or overgrown stormwater down-drains were observed atop Modules 12, 13, and 15.
- Significant ponding was observed within the stormwater ditch that surrounds Module 5, 14, 15, and 16.
- Significant erosion was observed on the southern face of Module 15 near LFG-A44.
- The site's recently installed cluster wells were not properly labeled.
- Evidence of significant ponding was observed atop the operations layer in Module 5. The amount ponding raises concerns in regards to: 1) the permeability of the operations layer, 2) the impact this will have on the effectiveness of the module's LCRS, and 3) ultimately the impact this may have on the effectiveness of the module's containment system, as well as the containment system for other modules constructed with a similar material as the operations layer.

Required Work:

To correct the noted violations and address each area of concern noted above, Western Placer Waste Management Authority shall:

1. Treat all liquid that accumulates at the base of Module 5 and in the Module 5 Stormwater Pond as leachate. This includes sampling of all liquid that is extracted from Module 5 and the Module 5 Stormwater Pond, and documenting both the amount and location of all liquid discharged from Module 5 and the Module 5 Stormwater Pond.
2. Remove and properly dispose of all liquid/leachate that has accumulated in the unlined Module 5 stormwater pond.
3. Document the amount of contact stormwater (leachate) that was discharged directly from Module 5 into the stormwater ditch prior to 15 February 2017.

4. Collect samples from the ponded water in the stormwater ditch that runs along Modules 5 and 16 to assess the condition of the water remaining in this stormwater ditch.
5. Contain, sample, and properly dispose of all leachate generated from the seeps identified at the site.
6. Document the amount of leachate disposed from the seeps identified at the site.
7. Repair the hole around the gas extraction well as seen in Figure 14 of the attached Site Inspection Report.
8. Insure that the waste observed outside of the active working face in Module 5 has been covered with an appropriate amount of daily or intermediate cover.
9. Ensure that all site wells, including the recently installed cluster wells, are properly labeled so that they can be quickly and easily identified in the field.
10. Submit a Report by **15 May 2017** that:
 - a. Documents the completion of all nine required work items above,
 - b. Provides an update regarding the conditions of the noted seeps and total amount of contact stormwater (leachate) that has been removed and disposed from the seeps, as well as from Module 5 and the Module 5 stormwater pond.
 - c. Contains a work plan to repair the noted seeps.
 - d. Contains a work plan to sample the soil at the base of the Module 5 Stormwater pond, once the pond has been emptied of leachate. This sampling will be required to determine if the soil within the limits of the pond have been impacted by leachate.
 - e. Addresses Water Board staff concerns regarding the ponding that occurred atop the operations layer in Module 5. This discussion must address what has and will be done in Module 5 to ensure proper operation of the Module 5 containment structure/system, as well as other modules that were constructed with a similar material as the operations layer.
11. Submit a report by **15 November 2017**, as required by Section D.6.A of the WDRs, that documents the results of a thorough inspection of the facility, including the cover and all stormwater controls, and documents the repair of all observed issues. This report shall include repairs to address the seeps, ponding, down-drains, and erosion noted in the attached 15 February 2017 Site Inspection Report.

All reports shall be uploaded to GeoTracker, and once uploaded; the Discharger shall send an email to centralvalleysacramento@waterboards.ca.gov notifying Board staff of the upload. To ensure that each GeoTracker report upload notification is routed to the appropriate staff, please include the following information in the body of the email: Attn: Paul Sanders, Compliance Unit, Title 27, the Date and Title of the report uploaded, the GeoTracker upload confirmation number for the report uploaded, and the facility's CIWQS place ID (CW-272229).

If you have any other questions or comments regarding this letter or the site in general, you can contact Mr. Paul Sanders at (916) 464-4817, or at paul.sanders@waterboards.ca.gov.



HOWARD HOLD, PG
Senior Engineering Geologist
WDRs Compliance and Enforcement Unit

Enclosures: 15 February 2017 Inspection Report

cc: Paul Halloway, Placer County Environmental Health Department, Auburn
Keith Schmidt, Western Placer Waste Management Authority, Roseville
Tina Schmiesing, SCS Engineers, Sacramento

CIWQS Inspection ID: 27783730
CIWQS Violation IDs: 1021626 and 1021627

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

Minutes of December 8, 2016

The meeting of the Western Placer Waste Management Authority Board of Directors was called to order at 6:04 PM by Vice Chairman Joiner in the WPWMA Administration Building at the Materials Recovery Facility.

Directors Present:

George Magnuson
Paul Joiner
Robert Weygandt
Susan Rohan

Staff Present:

Ken Grehm Stephanie Ulmer
Bill Zimmerman Heather Wilden
Robert Sandman Keith Schmidt
Eric Oddo

1. Call Meeting to Order: Vice Chairman Joiner called the meeting to order at 6:04 PM.
2. Pledge of Allegiance: Vice Chairman Joiner led the Pledge of Allegiance.
3. Roll Call: Director Duran was absent.
4. Statement of Meeting Procedures: Heather Wilden read the Statement of Meeting Procedures into the record.
5. Agenda Approval:

MOTION TO APPROVE THE AGENDA:

Weygandt/Joiner

Vote: Unanimous

6. Public Comment: Laura Rasmussen of Energy 2001 presented Chairman Magnuson with a commemorative plaque.
7. Correspondence: None.
8. Consent Agenda:
 - a. Second Amendment to the Agreement with Shaw/Yoder/Antwih, Inc. for Legislative Advocacy Services
Staff recommended the Board authorize the Executive Director or designee, upon review and approval by WPWMA Counsel, to sign the Second Amendment to the Legislative Advocacy Services Agreement with Shaw / Yoder / Antwih, Inc. for a total cost of \$48,000, and increasing the total not-to-exceed cost of the Agreement to \$164,000.
 - b. Agreement with Cornerstone for Landfill Gas Operation, Monitoring and Maintenance Services
Staff recommended the Board authorize the Executive Director or designee, upon review and approval by WPWMA Counsel, to sign an Agreement with Cornerstone Environmental Group, LLC for services related to the operation and maintenance of the landfill gas collection and control system at the Western Regional Sanitary Landfill for an amount not to exceed \$488,107.

MOTION TO APPROVE THE CONSENT AGENDA:

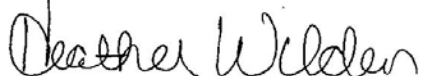
Joiner/Weygandt

Vote: Unanimous

9. Announcements & Information:
 - a. Reports from Directors: None.

- b. Report from the Executive Director: Ken Grehm informed the Board of staff's intention to have Nortech perform additional work to install electrical power for the Module 5 sump pump for an additional cost totaling \$1,901.26.
 - c. Financial Reports: Eric Oddo summarized the report. There were no questions from the Board.
 - d. Monthly Tonnage Reports: Keith Schmidt summarized the report. There were no questions from the Board.
10. Action Items:
- a. Minutes of the Board Meeting held October 13, 2016:
Staff recommended approving the minutes as submitted.
MOTION TO APPROVE ITEM 10a:
Joiner/Weygandt
Vote: 3:0
Director Rohan abstained
 - b. Election of Officers
Staff recommended the Board elect officers for calendar year 2017. The Board elected officers as follows:
Chair – The Director representing the City of Lincoln
Vice Chair – Director Weygandt representing Placer County.
MOTION TO APPROVE ITEM 10b:
Rohan/Weygandt
Vote: Unanimous
 - c. Resolution Commending Director Magnuson for his 23 Years of Service on the Western Placer Waste Management Authority Board of Directors
Director Weygandt read the resolution into the record and presented Director Magnuson with a plaque commemorating his years of dutiful service to the organization, and another for his service as Chairman of the Board. Discussion ensued, and members of the audience offered sentiments and appreciation as well.
MOTION TO APPROVE ITEM 10c:
Weygandt/Rohan
Vote: Unanimous
11. Upcoming Agenda Items: None.
12. Adjournment: Meeting was adjourned at 6:29 PM Adjourn to Social Hour to commemorate George Magnuson's service on the WPWMA Board of Directors.

Respectfully Submitted,



Heather Wilden, Clerk of the Board
Western Placer Waste Management Authority

WESTERN PLACER WASTE MANAGEMENT AUTHORITY

Minutes of February 9, 2017

The meeting of the Western Placer Waste Management Authority Board of Directors was called to order at 6:02 PM by Chairman Joiner in the WPWMA Administration Building at the Materials Recovery Facility.

Directors Present:

Paul Joiner
Susan Rohan
Jack Duran

Staff Present:

Ken Grehm Keith Schmidt
Bill Zimmerman Stephanie Ulmer
Robert Sandman Heather Wilden

1. Call Meeting to Order: Chairman Joiner called the meeting to order at 6:02 PM.
2. Pledge of Allegiance: Chairman Rohan led the Pledge of Allegiance.
3. Roll Call: Director Weygandt and Director Yuill were absent.
4. Statement of Meeting Procedures: Heather Wilden read the Statement of Meeting Procedures into the record.
5. Agenda Approval: WPWMA Counsel recommended that Item 9a be postponed until the next meeting as there were not a majority of the directors present who were also present at the December 8th meeting.

MOTION TO APPROVE THE AGENDA AS AMENDED:

Duran/Rohan

Vote: Unanimous

6. Public Comment: Laura Rasmussen of Energy 2001 submitted correspondence to the WPWMA Board dated January 26, 2017 regarding the three year extension of the original lease agreement. Bill Zimmerman stated that staff will continue to work with Energy 2001 to address concerns mentioned in the letter and will provide recommendations to the Board.
7. Consent Agenda:
 - a. Project 02466 – Module 5 Base Liner System and Module 15/16 Partial Final Cover Construction – Notice of Completion (Keith Schmidt)

Staff recommended adopting Resolution 17-01 accepting Project 02466 – Module 5 Base Liner System and Module 15/16 Partial Final Cover Construction as complete, and authorizing the Executive Director or designee to execute and file the attached Notice of Completion.
 - b. Agreement with for Reimbursement of Household Hazardous Waste Collection Program Costs between the WPWMA and the County of Sacramento (Stephanie Ulmer)

Staff recommended the Board authorize the Executive Director or designee, upon review and approval by WPWMA Counsel, to sign the Agreement between the WPWMA and the County of Sacramento that allows for use of each other's household hazardous waste (HHW) facilities by Placer and

Sacramento County residents and establishes a mechanism for reimbursement to each other for costs incurred by providing these “out of county” resident services a cost not to exceed \$100,000 per year.

MOTION TO APPROVE THE CONSENT AGENDA:

Duran/Rohan

Vote: Unanimous

8. Announcements & Information:

- a. Reports from Directors: None.
- b. Report from the Executive Director: Ken Grehm deferred to Bill Zimmerman who identified receipt of the proposed modification to the condition use permit (CUP) for Rio Bravo. Bill indicated staff's intention to submit comments during the CUP process to request operational information from Rio Bravo. Bill also informed the Board of staff's intention to use the additional services provision of the Nortech contract to have Nortech install gas collection wells in Module 5 as filling progresses for an additional cost totaling approximately \$97,073.41.
- c. Financial Reports: Valerie Bayne summarized the report. There were no questions from the Board.
- d. Monthly Tonnage Reports: Keith Schmidt summarized the report. There were no questions from the Board.
- e. Auditors Report: Valerie Bayne introduced Sheba Sudahar with Vavrinek, Trine, Day to provide an executive summary of the Comprehensive Annual Financial Report for the fiscal year ending June 30, 2016. There were no questions from the Board.
- f. Quarterly MRF Operator's Report: Paul Szura summarized the report. There were no questions from the Board.
- g. Quarterly Landfill Operator's Report: Paul Szura summarized the report. There were no questions from the Board.
- h. Quarterly WPWMA Engineer's Report: Keith Schmidt summarized the report. There were no questions from the Board.
- i. 2016 Auburn HHW Collection Event Summary: Stephanie Ulmer summarized the report. There were no questions from the Board.
- j. Woody Biomass Gasification Feasibility Analysis: Keith Schmidt introduced Fred Tornatore from TSS Consultants and Will Dickinson from CPFG to provide details of this analysis. There were no questions from the Board.
- k. Letter from Nortech Waste, LLC. Re: Change in Circumstances: Stephanie Trewhitt, President of Nortech Waste, provided an overview of a letter dated January 31, 2017 summarizing the status of contract discussions and

requested that a contract amendment be submitted as an action item in the next Board agenda. Bill Zimmerman explained that additional discussions are ongoing and staff intends to submit a recommendation to the Board at the appropriate time.

9. Action Items:

b. Conducting Solid Waste-Related Pilot Studies at the WPWMA's Facility
(Keith Schmidt)

Staff recommended authorizing the Executive Director or designee, upon review and approval by WPWMA Counsel, to: 1) enter into individual agreements with technology vendors or 2) provide the MRF or Landfill Operator with the necessary approval and authorization to engage with technology vendors for the purposes of conducting solid waste-related pilot studies at the WPWMA's facility. Staff answered questions from the Board.

MOTION TO APPROVE ITEM 9b:

Duran/Rohan

Vote: Unanimous

c. Sole Source Agreement with CE Schmidt for Odor Related Measurement and Testing at the WPWMA's Facilities (Keith Schmidt)

Staff recommended authorizing the Executive Director or designee, upon review and approval by WPWMA Counsel, to sign a sole-source agreement with CE Schmidt to conduct odor related measurement studies at the WPWMA's facilities for a cost not to exceed \$150,000. Staff answered questions from the Board.

MOTION TO APPROVE ITEM 9c:

Duran/Rohan

Vote: Unanimous

10. Upcoming Agenda Items: Director Rohan requested a status update of the Nortech Change in Circumstances letter. Bill Zimmerman mentioned that Director Weygandt requested an update on the Master Planning project during a separate conversation.

11. Adjournment: Director Joiner explained that former Mayor and Council Member Tom Cosgrove of the City of Roseville had passed away. This meeting was adjourned at 6:49 in Tom Cosgrove's name.

Respectfully Submitted,



Heather Wilden, Clerk of the Board
Western Placer Waste Management Authority

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**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS**

DATE: **APRIL 13, 2017**

FROM: **KEN GREHM / CHRIS HANSON** 

SUBJECT: **SUPPORT OF THE SWANA LEGISLATIVE TASK FORCE**

RECOMMENDED ACTION:

Authorize payment of \$2,000 to the Solid Waste Association of North America (SWANA) Legislative Task Force (LTF).

BACKGROUND:

SWANA is a trade organization primarily serving local governments that provide solid waste services. The LTF was established to track and influence state legislation and regulations affecting the solid waste industry. The WPWMA has held membership in the LTF for several years and continues to assign a staff member to serve as a voting member on the LTF.

The top priorities in the LTF's 2017 Workplan include: shaping new reporting requirements for solid waste facilities identified in AB 901; continuing to promote Extended Producer Responsibility to relieve local governments of the sole responsibility of managing HHW, sharps and pharmaceuticals; declining revenue streams for CalRecycle and operating landfills; and funding for organics recycling infrastructure.

Due to the potentially significant impacts to the WPWMA's operation from pending legislation and the LTF's role in helping to shape this legislation, staff believes it is in the WPWMA's best interest to continue its involvement with the LTF, including its annual contribution of \$2,000.

ENVIRONMENTAL CLEARANCE:

The recommended action is not considered a "project" under the California Environmental Quality Act.

FISCAL IMPACT:

The \$2,000 level of funding recommended is consistent with previous contributions and SWANA's assessment based on the WPWMA's service area size. Sufficient funding for this expenditure exists in Account 2840 "Special Department Expense" of the FY 2016/17 Budget.

ATTACHMENT: SWANA LTF 2017 WORKPLAN

2017 WORK PLAN



MISSION STATEMENT:

To represent local government interests and the three California Chapters' membership in developing and advocating environmentally and technically sound, economical solid waste policy at the most appropriate government level



LEGISLATIVE TASK FORCE
California Chapters

2017-18 Legislative Session

OUTLOOK

Guiding Advocacy Principles

This Work Plan serves as a policy guide for the Legislative Task Force of the SWANA California Chapters when it considers taking positions on proposed legislation, performing advocacy, and conducting outreach.

2017 Regulatory & Legislative Priorities

ANTICIPATED POLICY DRIVERS

- **AB 901 Implementing Regulations** – The new reporting requirements proposed for solid waste facilities and haulers are extensive. Reasonableness and practicality on what can be reported to CalRecycle needs to be incorporated into the draft regulations.
- **Household Hazardous Waste and Pharmaceuticals (follow up to AB 45)** – Local governments should not be the sole party responsible for managing HHW, pharmaceuticals and sharps. Manufacturers must be part of the HHW/pharma management solution by providing convenient takeback programs and/or re-engineering products with less packaging and hazardous material content; also known as Extended Producer Responsibility (EPR) or Product Stewardship.
- **CalRecycle's Long-Term Financial Needs and Organics Recycling Infrastructure Funding** – With recently enacted bills, such as SB 1383 (Lara, 2016), AB 1826 (Chesbro, 2014), and AB 1594 (Williams, 2014), and state and local diversion initiatives, there will be a declining revenue stream for CalRecycle and operating landfills. There is also a significant shortage in organics recycling capacity. As indicated in the SWANA LTF White Paper, there are opportunities to utilize existing anaerobic digestion capacity at wastewater treatment plants in California to lessen the initial capital investment needs to build such infrastructure. Additionally, by imposing the IWMF on all solid waste and recycling facilities overseen by CalRecycle, not just landfills, the forecasted budget shortfall can be alleviated.

2017 Regulatory & Legislative Priorities

CONTINUED

- **Packaging** – Since AB 341 (Chesbro) was enacted in 2011, CalRecycle has made achieving the statewide goal of 75% recycling by 2020 one of its highest priorities. In addition to sponsoring and supporting legislative bills that increase diversion, CalRecycle is also looking to adopt policies that would assist State in reaching that goal. To that end, CalRecycle has been working with the packaging industry over the past 3 ½ years to reduce disposal of these wastes at landfills and transformation facilities. With no measureable progress seen during this time, CalRecycle may now adopt a mandatory policy to reduce disposal of packaging by 50% by 2020. Currently we dispose of approximately 8 million tons of packaging-related waste. Cutting this number by half in less than 4 years will not be an easy task, particularly without industry's cooperation. Fees are being considered on packaging to incentivize manufacturers and help prevent discards ending up in stormwater.
- **Beverage Container Recycling Reform** - Structural reform is needed for the beverage container recycling program, which has experienced significant financial decline.
- **Short-Lived Climate Pollutants Plan** – In November 2016, CARB released a draft strategy for reducing SLCPs in California. The strategy includes diverting organics from landfills, as required by SB 1383. CARB estimates a reduction of 4 MMTCO₂e of landfill-related methane emissions by 2030 in implementing this measure. SWANA LTF will provide comments on the SLCP Plan through its adoption.

1

Laws and Regulations

Platform

Ensure, through active participation in the development and review process, reasonable laws and regulations that assure economic feasibility and protection of health, safety, and the environment.

Advocacy Focus

Influence laws and regulation to be supportive of the LTF Mission Statement and White Papers. Work with agencies, legislators, and organizations to reverse the “End of the Pipe” paradigm, i.e., work towards solutions that focus much more on solid waste prevention, product stewardship, and beneficial reuse. Promote meaningful stakeholder input in the development of plans, policies, and regulations. Promote consideration of full life-cycle impacts associated with various solid waste management approaches. Promote the training and professionalism of the solid waste industry.

Policy Principles

- Promote SWANA National and California LTF position papers, particularly on high priority policy drivers.
- Support regulations and legislation that incentivize material recovery and takeback programs by manufacturers.
- Encourage energy recovery from municipal solid waste (MSW) by supporting legislation to eliminate regulatory barriers and establish a diversion credit tier for emerging technologies.
- Promote a science-based approach that balances costs with environmental benefits, such as a life cycle analysis.
- Encourage the development of cost effective organics management programs and infrastructure that best fits each jurisdiction’s needs and community.
- Facilitate local funding for local solutions rather than state-driven directives.

2017 Advocacy Activities

1. Comment on the AB 901 implementing regulations to ensure that CalRecycle gets enough data to track the waste and recyclables stream but not create an administrative burden to haulers, operating facilities, and local governments.
2. Participate in the rule development process for the organics diversion goals contained in SB 1383 related to Short-lived Climate Pollutants and the SB 32 Scoping Plan.
3. Participate in legislative efforts to reform beverage container funding, such as adjustments to CRV and recycling-related payments.
4. Participate in legislative efforts to address CalRecycle funding proposals.
5. Participate in the Department of Toxic Substances Control's (DTSC's) rule development process for photovoltaic panels.
6. Engage with DTSC's Retail Waste Working Group (SB 423) on identifying appropriately ways of managing surplus household consumer products.
7. Advocate to CalRecycle that regulatory enforcement efforts be commensurate with the violation and that there be a due process prior to being assessed fines.
8. Advocate renewable energy from solid waste to the legislature and regulatory agencies. Monitor developments in energy policy related to landfill gas and biomass.
9. Support allocation of GHG funds to organics infrastructure by submitting letters to the Legislature at the appropriate time in the budget process.
10. Support legislative efforts to create extended producer responsibility programs through letters to the Legislature and in-person testimony.
11. Advocate transparency in CalRecycle's review of each jurisdiction's Integrated Waste Management Plan and request that "best efforts" be reasonable and realistic.

2

Local Authority and Government Entities

Platform

Promote control (and reorganization as necessary) of solid waste policy and operations at the lowest governmental level possible.

Advocacy Focus

Emphasize effective, certified staffing for all aspects of solid waste management, cost-effectiveness, and environmental soundness. Maximize flexibility for optimized solutions.

Policy Principles

- Promote streamlining of regulatory agencies by eliminating non-essential programs and minimizing redundant or overlapping regulations, and underground regulations.
- Support legislation that would provide for stakeholder participation from local governments on regulatory oversight and policy matters proposed for adoption by state and regional agencies.
- Ensure regulatory agencies and legislative bodies do not undermine or preempt local authority or discretion.
- Support regulations and legislation that grant local governments the authority and means to achieve and fund mandated activities.
- Encourage regulatory frameworks that provide the regulated community with greater due process in enforcement actions by state agencies.
- Support limits to the lawsuit provisions of the Clean Water Act that would minimize frivolous citizen suits and preclude unreasonable attorney fee awards.
- Encourage practicable approaches to addressing the needs of Environmental Justice communities.

2017 Advocacy Activities

1. Seek amendments to legislation that impedes local government discretion.
2. Coordinate advocacy efforts with California State Association of Counties (CSAC) and the League of Cities on issues impacting local governance.

3 Outreach and Awareness

Platform

Increase awareness in the Legislature that the SWANA California Chapters represent the majority of the publicly-owned and operated solid waste management facilities in the state.

Advocacy Focus

Maintain an active advocacy presence in the Legislature and at CalRecycle through involvement in the regulatory and legislative processes, and developing relationships with key members in both chambers and with the appropriate staff at the state agencies.


Policy Principles

- Develop relationships with state regulatory agencies that oversee the management, recycling, and disposal of municipal solid waste, household hazardous waste, and pertinent special wastes.
- Support SWANA International in advocacy and policy areas that apply to California, such as product stewardship policy, disposal bans, "Pushing the Envelope" documents, and applied research on emerging technologies.
- Build coalitions with other statewide organizations and private haulers when appropriate, such as the California State Association of Counties (CSAC), League of California Cities, Rural County Representatives of California / Environmental Services Joint Powers Authority (RCRC/ESJPA), County Engineers Association of California (CEAC), California Special Districts Association, Bioenergy Association of California, regional Councils of Government, California Resource Recovery Association (CRRA), and the Solid Waste Industry Group (SWIG).
- Enhance education and awareness of key legislation and regulation to SWANA membership through newsletters, discussions at Chapters, and presentations at the Western Regional Symposium.

2017 Advocacy Activities

1. SWANA LTF Officers meet with CSAC and the League of Cities early in the legislative process on key bills.
2. Continue the in-person meetings in Sacramento between the SWANA LTF and CalRecycle's executive management.
3. SWANA LTF Officers meet with key legislators, legislative and Governor's staff, the Director of CalRecycle, and other regulators as appropriate.

**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS** DATE: **APRIL 13, 2017**
FROM: **KEN GREHM / CHRIS HANSON** 
SUBJECT: **2016 LEGISLATIVE SUMMARY AND 2017 LEGISLATIVE STRATEGIC AGENDA**

RECOMMENDED ACTION:

Approve the 2017 Legislative Strategic Agenda prepared by Shaw / Yoder / Antwih, Inc. (SYA).

BACKGROUND:

SYA prepared the attached summary of the 2016 Legislative Session, focusing on legislation and regulation of interest to WPWMA. Several of these items are anticipated to be carried into the 2017 Legislative Session and are included in the attached 2017 Legislative Strategic Agenda prepared by SYA for your Board's review and approval.

The Strategic Agenda defines the WPWMA's positions on key legislative issues and guides SYA's advocacy efforts on the WPWMA's behalf. It will also enable SYA to react quickly on high priority and fast moving bills, ensuring that WPWMA's positions are heard in a timely manner. SYA is authorized to take immediate action, consistent with the approved Strategic Agenda and the Executive Director's or designee's approval, if applicable, on any fast moving bills that could impact the WPWMA. Staff will review all position and/or comment letters to ensure that the actions align with the approved Strategic Agenda.

Upon your Board's approval, the Strategic Agenda will become effective immediately.

ATTACHMENT: 2016 LEGISLATIVE SUMMARY
2017 LEGISLATIVE STRATEGIC AGENDA



Date: November 7, 2016

To: The Western Placer Waste Management Authority Board of Directors

From: Jason Schmelzer, Shaw / Yoder / Antwih, Inc.
Karen Lange, Shaw / Yoder / Antwih, Inc.

RE: 2016 Year-End Report

On behalf of all of the employees of Shaw / Yoder / Antwih, Inc., we'd like to thank the Board of Directors for once again entrusting our firm with the important task of providing legislative and regulatory advocacy services to the Western Placer Waste Management Authority. In order to aggressively advocate on behalf of WPWMA, our firm devotes two partner-level advocates who are also policy experts on local government and environmental policy. Our core function is to identify legislation of interest, assist in the policy analysis, consult on the political implications of engaging, and then to actively lobby in furtherance of WPWMA's position.

The California State Legislature ended the 2015-2016 legislative session on August 31, 2016, and Governor Jerry Brown completed the signature and veto process on September 30, 2016. The legislature sent a total of 1,059 bills to Governor Brown for consideration; of those, he signed 898 and vetoed 159. Two bills became law without his signature. Governor Brown and the legislature focused on several important public policy areas in 2016, including health care, transportation infrastructure financing, minimum wage, and especially greenhouse gas emissions.

We will outline legislation related to solid waste more completely below, but the legislature focused mostly on taking steps to help meet the 75% statewide diversion goal, reforming the bottle bill, extended producer responsibility, and greenhouse gas emissions related to solid waste operations.

2016 LEGISLATIVE REPORT

WPWMA staff directed the SYAI lobbying team to actively advocate on several pieces of legislation in 2016, all of which are outlined below. We have also identified and described several other pieces of legislation that, despite WPWMA having no official position, will have an impact on the operations of WPWMA.

Bills with WPWMA Position

AB 45 (Mullin) – Household Hazardous Waste / Pharmaceuticals

WPWMA actively opposed AB 45 in both 2015 (the year it was introduced) and 2016. The bill was an attempt by pharmaceutical manufacturers to advance an alternative to pharmaceutical and sharps EPR legislation that has been advanced by the California Product Stewardship Council. The bill attempted to counter product-by-product EPR legislation by mandating that local governments improve HHW collection and disposal. Additionally, AB 45 expanded the definition of HHW to include home-generated sharps and pharmaceutical waste. Opposition to the bill was fierce, and ultimately the bill was modified to contain an LA County pilot program on the collection of pharmaceuticals (although LA County was not consulted by the author).

WPWMA assisted in the defeat of AB 45 in 2015, but the bill was resurrected early in 2016 and began to advance. WPWMA sustained opposition to the bill as it morphed, and was instrumental in ensuring defeat of the bill in the Senate Environmental Quality Committee. Specifically, WPWMA advocates worked closely with the office of Senator Ted Gaines, who sits on the Senate Environmental Quality Committee, to ensure that he understood the deep concerns within his own district. Senator Gaines was a “must have” vote for the proponents of AB 45, but he was a strong advocate for his district and the measure failed in committee.

The defeat of AB 45 was crucial to advancing a producer responsibility paradigm with respect to the collection and disposal of home-generated sharps and pharmaceutical waste.

AB 1103 (Dodd) – Solid Waste Disposal: Self-Haulers

This bill allows CalRecycle to define the term “self-hauler” and adds self-haulers to the existing requirement for exporters, brokers, and transporters of solid waste to periodically report certain information to CalRecycle. Earlier versions of the bill were more expansive, and WPWMA had a position of “concerns.” However, we managed to work with the sponsor and author to limit the scope of the bill.

AB 2039 (Ting) – Sharps EPR

WPWMA was an active supporter of this legislation, which would have established an Extended Producer Responsibility program in California to collect and manage home-generated sharps waste. This is a significant issue for local governments because of the significant risk of needle stick injuries for employees of solid waste haulers and MRF operators. The bill was heavily opposed by sharps and pharmaceutical manufacturers, who are doing everything possible to push back against the concept of extended producer responsibility relative to their products.

WPWMA was very active in the lobbying efforts and focused on Assemblymember Beth Gaines. Unfortunately, Assemblymember Gaines chose not to be supportive of the measure and, when combined with other election-year shifts in support, the bill lacked sufficient support to pass out of the Assembly Committee on Environmental Safety and Toxic Materials.

After AB 2039 was defeated there was outreach from some pharmaceutical companies interested in negotiating a compromise proposal. As a result, a request was sent to the California State Auditor to provide information about various aspect of drug take back programs currently in operation. That audit report is intended to provide a common set of facts for stakeholders seeking to negotiate a compromise. SYAI is actively involved in the conversations and will continue to provide WPWMA with information and the ability to provide feedback during that process.

AB 2725 (Chiu) – Food Manufacturers: Food Labels

WPWMA was supportive of this effort to achieve source reduction of food waste by standardizing expiration date labels on food products. WPWMA backed this bill because, according to the 2014 waste characterization study, food waste is the most prevalent item in the California waste stream and its presence in landfills contributes significantly to greenhouse gas emissions. Additionally, surveys indicate that consumers discard food predominantly because they misinterpret food expiration date labels.

AB 2725 was defeated in the Assembly Health Committee because of substantial industry opposition.

AB 2812 (Gordon) – State Facilities Recycling

WPWMA was supportive of this legislation that required state agencies to improve waste diversion and recycling in waste streams from large state facilities. The bill specifically requires state agencies to provide appropriate receptacles, signage, education, and staffing to divert at least 50% of their waste from landfill. The bill also requires state agencies to annually review their progress and report to the legislature. This legislation will help California accomplish the statewide 75% recycling goal, which will help head off future state mandates on local governments.

SB 1170 (Wieckowski) – Stormwater Pollution Prevention Plans

WPWMA actively opposed this bill that would have prohibited a public entity from contracting with an outside entity to develop Stormwater Pollution Prevention Plans. WPWMA opposed this bill, which was advanced by the Associated General Contractors, because local agencies do not have the resources or workload to employ personnel qualified to perform these tasks year-round. The bill was heavily opposed by local governments and was ultimately held in the Assembly Appropriations Committee.

Other Bills of Interest

Although WPWMA did not directly take a position on the bills below (note: WPWMA did participate in determining positions for SWANA on some or all of these bills), they do warrant some attention because of their potential impact on operations.

State Budget – Bottle Bill Reforms

There was an effort this year on the part of grocers, convenience zone operators, and some local governments to advance reforms to the bottle bill program because of falling commodity prices and failing collection locations. Ultimately the Brown Administration determined that it would not support any short-term fixes to the program and instead proposed to advance comprehensive reform after Fall/Winter 2016 stakeholder meetings.

AB 197 (E. Garcia) – CARB Oversight

This bill was driven, in part, by the feeling that the legislature did not have sufficient oversight capabilities relative to the California Air Resources Board. The bill establishes the Joint Legislative Committee on Climate Change Policies, which will include at least three members of each legislative house. The Committee will review the effectiveness of ARB programs and make recommendations to the legislature on programs, policies, and investments related to climate change. The bill was passed by the legislature and signed by Governor Brown.

AB 1550 (Gomez) – GGRF: Disadvantaged Communities

This bill was driven, in part, by the feeling among legislators that the Greenhouse Gas Reduction Fund expenditures were not appropriately benefiting disadvantaged communities. The bill increases the proportion of funds that must be allocated to disadvantaged communities in the GGRF investment plan. The bill was passed by the legislature and signed by Governor Brown.

AB 1669 (Hernandez) – Displaced Employees: Solid Waste Collection and Transportation Contracts

Sponsored by the Teamsters, this legislation gives a bid preference to contractors willing to maintain employees for a specified period of time. The bill does not apply to contracts awarded before 1/1/2017, or contracts where the bid process is completed before 1/1/2017. The bill was opposed by SWANA and CSAC, but it was passed by the legislature and signed by Governor Brown.

SB 32 (Pavley) – Global Warming Solutions Act of 2006: Emissions Limit

Current authority for CARB to regulate greenhouse gas emissions in California is rooted in AB 32 (Nunez, 2006). AB 32 requires CARB to reduce California's greenhouse gas emissions to the 1990 level by 2020. Because AB 32 was so specific about the compliance date (2020) it was unclear whether CARB would have authority beyond that date. SB 32 extends and expands CARB's authority by requiring the board to reduce California's greenhouse gas emissions to 40% below the 1990 levels by 2030. After a hard fought battle against moderate democrats in the Assembly the bill was passed by the legislature and signed by Governor Brown.

SB 970 (Leyva) – GGRF: Recyclable Material

This legislation seeks to fine-tune CARB's authority relative to awarding grants within the GGRF for organic waste diversion and composting. The bill requires CARB to evaluate the scale of greenhouse gas reductions resulting from organics diversion programs, and allows larger grants for large scale projects. The bill was passed by the legislature and signed by Governor Brown.

SB 1383 (Lara) – Short-Lived Climate Pollutants

CARB drafted and released a short-lived climate pollutant strategy in 2016 based on prior legislation that asked them to do so. However, it was unclear whether CARB had the authority to actually implement the plan once it was developed. AB 1383 provided CARB with the authority to implement their plan, but provided for delayed implementation for emissions reductions applying to landfills. The bill was passed by the legislature and signed by Governor Brown.

2016 REGULATORY REPORT**Federal Regulations**

We closely followed any possible changes or proposals related to the Migratory Bird Act. The Federal Fish and Wildlife Service (FWS) is still incorporating public comment and pondering the path forward. Their stated intent is to have a draft rule published in the Federal Register sometime before the end of 2016, which was reconfirmed on November 7, 2016. However, as of this writing, there is no new proposed rule published in the Federal Register

EPA Regulations on Municipal Solid Waste Landfills

On August 29, 2016, the EPA announced final updates to its New Source Performance Standards (NSPS) to reduce emissions of methane-rich landfill gas from new, modified and reconstructed municipal solid waste (MSW) landfills. In a separate action, EPA also issued guidelines for reducing emissions from existing MSW landfills. Both actions are part of the President's Climate Action Plan – Strategy to Reduce Methane Emissions.

A complete FAQ can be read here: <https://www.epa.gov/sites/production/files/2016-09/documents/landfills-final-nsps-eg-factsheet.pdf>

State Regulations**Short-Lived Climate Pollutants**

In April 2016, the ARB released a strategy (<https://www.arb.ca.gov/cc/shortlived/meetings/04112016/proposedstrategy.pdf>) to comport with the parameters of SB 605 (Lara). As of this writing, the strategy remains un-adopted. Workshops were held during the fall of 2016. Formal adoption could occur in the next weeks or months.

2030 Scoping Plan

In 2015 Governor Brown issued an executive order establishing a new statewide goal of reducing greenhouse gases by 40% below 1990 levels by 2030. The CARB has held and is holding a series of public meetings and workshops to discuss the various aspects of the scoping plan.

2017 PREVIEW

We are aware of two potentially significant reform efforts coming in 2017 that could impact WMWMA operations. While the fate of these efforts is unclear at this point, we want to provide a brief preview of each issue.

Bottle Bill Reform

CalRecycle is currently working with stakeholders to evaluate the current bottle bill program, which is plagued by fraud, subject to wild swings in commodity prices, and failing to meet convenience standards for consumer redemption opportunities. While the Brown Administration has clearly stated that it is not interested in short-term fixes, it is unclear what options for reform will be advanced in 2017. Various options, however, have been widely discussed among stakeholders. These options include moving from a deferred deposit program to an extended producer responsibility approach, adding container types to the program to broaden the fee base, providing local jurisdictions with alternative methods of meeting convenience requirements, and potentially reducing the consumer refund from 5 cents to 4 cents to account for administrative overhead.

CalRecycle Funding

We believe that the Brown Administration will once again attempt to patch its structural deficit through the implementation of new fees, and potentially an increase in the tipping fee. While it remains improbable that the administration will be successful in convincing a 2/3 supermajority of the legislature to implement a broad reform proposal, it is possible that the administration will attempt to advance portions of their plan, such as a generator fee, through the budget process with a simple majority vote. CalRecycle funding reform efforts gained steam in 2015, but fell by the wayside in 2016. SYAI will continue to monitor the situation because of the potential for action in 2017 during the budget process.



WESTERN PLACER WASTE MANAGEMENT AUTHORITY

2017 STRATEGIC AGENDA



**PREPARED IN CONSULTATION WITH
SHAW / YODER / ANTWIH, INC.**

GENERAL POLICY GUIDELINES

The statutes and regulations that guide the management of solid waste in California will undergo significant changes in the coming years, which could have significant operational and financial impacts on the Western Placer Waste Management Authority (WPWMA). Therefore, it is the policy of the WPWMA Board to support legislation which will:

- Provide maximum flexibility and local control for agencies to comply with regulations
- Support projects for, and eliminate barriers to, energy recovery from solid waste
- Create markets for materials (versus disposal penalties) to promote recycling
- Expand extended producer responsibility in California

It is the policy of the WPWMA Board to oppose legislation which would:

- Impose new mandates without commensurate funding and demonstrated need
- Impose infeasible performance standards on materials recovery facilities
- Increase solid waste diversion rates beyond the capability of local agencies

Specific Priorities in 2017 include (and are discussed in further detail below):

- Implementation of Mandatory Commercial Organics Recycling
- Extended Producer Responsibility
- Brown Administration Bottle Bill Reform Effort
- Household Hazardous Waste
- CalRecycle Funding

As legislation is introduced and reviewed, the Board and staff will evaluate legislation through the lens of the above general policy guidelines. Specific issues that the Board can expect to see in the 2017-2018 Legislative Session, and commensurate action of the Board, is as follows:

SPECIFIC ISSUES

ISSUE: ALTERNATIVE DAILY COVER

WPWMA diverts over 30,000 tons of MRF fines annually by using it as ADC. Prior to its use in 2003, the WPWMA conducted a demonstration project that verified the material met the stringent State standards for landfill cover materials. MRF fines generally consist of dirt, small shreds of paper, glass and inert materials. Although the MRF operator has investigated other uses and markets, to date they have been unable to identify any viable uses for the material other than ADC. In 2014 CalRecycle adopted legislation to eliminate the use of green waste as Alternative Daily Cover (ADC) to promote recycling of the material. In 2013, CalRecycle introduced legislation, which failed, that would have also targeted the use of MRF fines as ADC.

ACTION: Oppose regulations or legislation which would restrict MRFs from using fines as ADC or that impose a fee to discourage the use of fines. Closely track and evaluate any regulations or legislation which would modify ADC standards for MRFs.



ISSUE: EXTENDED PRODUCER RESPONSIBILITY (EPR)

EPR legislation shifts the financial burden of managing hazardous and difficult to manage products from local government to the producers of those products. The costs for WPWMA to manage these products is significant. In 2010, the WPWMA Board adopted a resolution in support of EPR.

Previous legislation has been adopted requiring producer responsibility for paint, carpet, and mattresses. CalRecycle recently disapproved the industry stewardship plan for carpet, and there may be some changes to that statute in 2017 if the industry stewardship plan can't get back on track. Additionally, several years of legislative debate over the application of EPR to home-generated sharps and pharmaceuticals, and the implementation of EPR ordinances in several California Counties, has resulted in the potential for a negotiated compromise on statewide take-back programs for these two products in 2017.

ACTION: Support EPR and other Product Stewardship legislation. Only support landfill bans when an appropriately funded alternative method of handling the material (e.g. EPR) has been put in place. Oppose landfill bans that are not substantiated by scientific studies showing that landfilling the material poses a danger to human or environmental health.



ISSUE: INCENTIVES FOR WASTE CONVERSION TECHNOLOGY

Regulatory hurdles and political opposition make development of Conversion Technology (CT) projects challenging, despite the fact that they reduce dependence on landfills and create a clean, domestic, fuel source for renewable energy. They are often not pursued in California because they do not clearly qualify for AB 939 diversion credits, or due to their cost or their inability to qualify for financial incentives. The WPWMA is currently evaluating options for the diversion of more of the organic portion of the waste stream. Anaerobic digestion (AD) and gasification are desirable options that could divert waste, provide green jobs, and generate clean, renewable energy; however, the law is currently unclear how AD and gasification should be permitted and regulated, and whether they qualify for diversion credits.

Fortunately, there have been recent developments that indicate potentially positive signs for CT projects, such as proposed legislation to help reduce barriers to CT projects in California. Additionally, CalRecycle has asked its staff to look at a better way to determine whether CT projects count as diversion or disposal. This action indicates a willingness on the part of CalRecycle to think critically about the proper place of CT in the management of California's solid waste.

ACTION: Seek and support legislation which would provide financial and other incentives that support CT development while minimizing regulatory and legal barriers to creating such facilities. Evaluate the full spectrum of benefits that CT could provide WPWMA.

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ISSUE: MRF PERFORMANCE STANDARDS

AB 341 (2011) and AB 1826 (2014), established, among other things, mandatory commercial recycling programs requiring businesses to either source separate recyclables / organics or subscribe to mixed waste processing services. AB 341 requires mixed waste processing to "yield results similar to source separation". In order to enforce this section of the law, CalRecycle is attempting to define what it means for those facilities to "yield results similar to source separation". This may result in the establishment of minimum standards for MRF performance so compliance with these laws can be evaluated. While this may be the case, there has been no activity on this item at CalRecycle since 2012, which is when the last workshop was held. There has been no formal rulemaking activity on this issue.

ACTION: Closely monitor CalRecycle efforts to define comparable to source separation for MRFs. Strenuously oppose any proposal which would impose infeasible performance standards and/or do not consider local conditions, such as a jurisdiction's diversion rate, the local waste stream, other recycling programs in place, and available materials markets.

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ISSUE: SOLID WASTE REGULATION AND LEGISLATION

AB 341 required CalRecycle to develop and submit a report to the legislature that provides strategies to achieve the state's policy goal of 75% recycling. The CalRecycle report was released in 2015 and contains key strategies and focus areas that could find their way into both regulatory and legislative proposals in the near future. The strategies include, among other things, phasing organics out of landfills, expanding recycling infrastructure, exploring approaches to supplement State funding, and measuring commercial recycling progress.

The costs to comply with new mandates that may come as a result of these proposals could be significant and passed on to customers in the form of increased tipping fees. Prior to the State implementing new diversion mandates, comprehensive evaluations should be conducted to determine the potential environmental and economic effects, technologies and markets available, and producer responsibility necessary to accomplish these goals and stakeholder involvement should be mandatory.

ACTION: Oppose any new solid waste and recycling related mandates, that do not include, or are not substantiated by, sound science, demonstrated need, cost/benefit/feasibility studies, a funding mechanism (other than tipping fees or garbage rates), consideration of local conditions and current compliance, and/or EPR. Oppose new measures to achieve 75% statewide diversion until measures already required by AB 341 have been fully implemented and evaluated.



ISSUE: GREENHOUSE GAS (GHG) REGULATION ON SOLID WASTE

AB 32 (2006) and SB 32 (2016) established broad authority for the California Air Resources Board (ARB) to regulate greenhouse gas emissions in the State of California. Subsequent actions that impacted WPWMA included expanded landfill methane capture requirements (2006 "early action measures"), mandatory commercial organics recycling (2013 updated Scoping Plan, resulting in AB 1826, 2014), proposed ARB Short Lived Climate Pollutant Draft Strategy (2015), and subsequent legislation to authorize regulatory action by the ARB on Short-Lived Climate Pollutants (SB 1383, 2016). Solid waste operations should expect to be targeted for additional emission controls as the Scoping Plan Update and SLCP regulations take shape. A new scoping plan is currently in draft format.

Moving forward, key recommended actions in the draft 2016 Scoping Plan Update that could impact WPWMA are the following:

1. *Eliminate Disposal of Organics in Landfills* – This effort is intended to reduce emissions from landfills and anticipates accomplishing this either through legislation (mandatory organics recycling), direct regulation (a disposal ban), or adding landfills to the cap and trade program (make it expensive).

2. *Develop Emission Reduction Strategies for Recycling* – This appears to mean that the ARB would like to identify new emission reduction strategies for existing recycling facilities.
3. *Resolve Permitting Issues* – The ARB will lead a process of identifying and recommending actions to address cross-California agency and federal permitting and siting challenges associated with composting and anaerobic digestion.

Finally, in 2015, the EPA proposed more stringent emission thresholds for the current Landfill New Source Performance Standards.

ACTION: Oppose additional emission reduction requirements on solid waste facilities until evaluation has been done on the effectiveness of recently implemented mandates such as the Early Action Landfill Methane Emission Reduction Measure and the Mandatory Commercial Recycling regulations. Oppose ARB using AB 32, SB 32, and SB 1383 authority to mandate waste diversion programs. Oppose defining landfills and waste-to-energy facilities as covered entities subject to the Cap and Trade Program. Participate in the rulemaking processes for any new proposed regulation which would affect WPWMA facilities. Support efforts to streamline permitting for composting, gasification and anaerobic digestion in a manner that benefits WPWMA.

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ISSUE: GREENHOUSE GAS CAP AND TRADE FUNDING

Greenhouse Gas Cap and Trade funding from the sale of carbon credits could be utilized by the WPWMA to invest in waste to energy technologies and projects to reduce emissions from landfill gas. The Legislature and Governor must annually appropriate revenues from the Greenhouse Gas (GHG) Reduction Fund on projects that will, or have the potential to, reduce GHG emissions. In the final 2016-2017 State Budget, \$40M was allocated to the Department of Resources, Recycling and Recovery for waste diversion and GHG reduction financial assistance.

ACTION: Continue to support distribution of Greenhouse Gas Reduction Fund Revenues, such as AB 32 Cap and Trade Program auction proceeds to waste to energy projects and other projects at landfills that reduce emissions consistent with the goals of AB 32.

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ISSUE: CEQA AND ESSENTIAL PUBLIC SERVICES / CEQA EXEMPTION FOR WASTE CONVERSION PROJECTS

Essential Public Services, such as landfills and wastewater treatment plants, are often negatively impacted from incompatible and/or encroaching development. In many cases, such facilities were developed in rural or industrial areas, but now face encroaching development and the potential for complaints and lawsuits. Periodically legislation is introduced (but has

not passed) that would protect essential public services (e.g. requiring certain disclosures in an EIR or protecting landfills from nuisance lawsuits if they are established and in compliance with existing laws and permits) or streamline CEQA review for beneficial projects (such as exempting certain conversion technology projects from CEQA).

ACTION: Support legislation that would protect essential public services and support renewable energy. Specifically support legislation requiring a Lead Agency to disclose in an EIR the potential impacts on people that may result from locating a proposed project near, or attracting people to, Essential Public Services such as solid waste management facilities.

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ISSUE: AIRPORT INTERFACE

WPWMA is situated in proximity to the Lincoln airport. The Federal Aviation Administration has adopted rules and regulations regarding the siting and operation of landfills in proximity to airports.

ACTION: Closely monitor actions taken by the FAA regarding landfill operations within the proximity of the airport. Engage the WPWMA delegation as needed to seek resolution and clarity on existing and future proposed regulations and rules.

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ISSUE: VEHICLE OPERATIONS ON SITE

Several large diesel trucks operate on the WPWMA facility, moving between the indoor sorting facility and the landfill. While these trucks never leave the boundaries of the landfill, the emissions and activities fall under diesel rules intended for on-road vehicles. This has proven to create new and significant economic burdens on the WPWMA's facility operator.

In late 2015, the Air Resources Board announced that it would suspend enforcement of, and potentially revise, the current Portable Equipment Registration Program (PERP) fleet average emission standards. This could significantly benefit some agencies, as the current standards would have potentially required expensive equipment replacements by 2017.

ACTION: Seek informal feedback from the Air Resources Board and other relevant agencies about the applicability of regulations for trucks that operate exclusively on site, and evaluate an appropriate course to mitigate any significant new expenses that may be tied to such regulations. Monitor actions by the ARB to revise the PERP emission standards.

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ISSUE: BIOMASS

The WPWMA's MRF operator relies on a local biomass facility to process the majority of the wood waste received at the MRF. In the 2014 session, a bill was introduced which would have established statutory preference for geothermal facilities over any other kind of renewable energy facilities, which would have had some negative impact on any biomass facilities. In addition, as the State grapples with an immense tree mortality issue, and several biomass facilities going off-line, there is increased pressure on those remaining biomass facilities to take trees from high hazard areas, thereby disrupting the traditional biomass stream of yard waste which WPWMA currently manages with the utilization of a biomass facility.

ACTION: Oppose any legislation which would disrupt relationships that WPWMA has with renewable energy facilities that assist in achieving landfill diversion.

**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS** DATE: **APRIL 13, 2017**
FROM: **BILL ZIMMERMAN / ERIC ODDO** 
SUBJECT: **FACILITY MASTER PLANNING PROJECT UPDATE AND
AUTHORIZATION TO ENTER INTO DISCUSSIONS WITH RIO BRAVO**

RECOMMENDED ACTION:

Authorize staff to enter into discussions with Rio Bravo Rocklin related to the potential feasibility of relocating their biomass operation to a portion of the WPWMA's property.

BACKGROUND:

At the October 13, 2016 meeting, your Board approved an agreement with CH2M for master planning and environmental review services related to potential future uses of the WPWMA's properties.

In early November, staff sent a request to each of the Member Agencies to designate one or more staff members to serve on an Advisory Committee for the project. By mid-December the Member Agencies had responded and the composition of the Advisory Committee was established consisting of the following:

<u>Agency</u>	<u>Representative</u>
Lincoln	<ul style="list-style-type: none">• Public Services Director
Rocklin	<ul style="list-style-type: none">• Public Services Deputy Director• Public Services Environmental Services Operations Manager
Roseville	<ul style="list-style-type: none">• Environmental Utilities Refuse Utility Manager• Development Services Planning Division Senior Planner
County of Placer	<ul style="list-style-type: none">• Deputy County Executive Officer• Senior Management Analyst• Public Works and Facilities Environmental Engineering Program Manager

On January 27, 2017, staff and CH2M conducted the project kickoff meeting with the Advisory Committee for the purpose of: 1) summarizing the WPWMA's long-term goals and how these goals are intended to meet the needs of the Member Agencies and improve compatibility with current and future area development, 2) providing an overview of the potential future uses of the WPWMA's property, 3) outlining the purpose and role of the Advisory Committee, 4) discussing reviewing the objectives and expectations for the project, 5) identifying key stakeholder groups and 6) establishing success factors for the project.

The Advisory Committee is scheduled to meet again in late April or early May to discuss general project constraints and the initial stakeholder engagement plan. Following those discussions, CH2M will finalize the general project constraints summary and the stakeholder engagement plan. The engagement plan will provide the framework for ensuring clear and consistent communications with key stakeholders in an effort to take


potential concerns by these stakeholders into account as part of the ongoing master planning efforts.

CH2M has also begun conducting and preparing for some the technical analyses including: 1) preparing future waste tonnage projections by evaluating past trends and future development plans and changes in regulation, and 2) conducting a full biological survey of both the east and west expansion properties which (scheduled for early May). Over the coming months, CH2M will continue to prepare the technical studies and will also arrange and participate in meetings between staff and the applicable state and local regulatory agencies.

At the February 9, 2017 meeting, staff reported to your Board that Rio Bravo had expressed interest in working with the WPWMA to explore the feasibility of potentially relocating their biomass operation from its current location to a portion of the WPWMA's property. As identified in the July 2015 staff report to your Board, and subsequently included in the master planning effort, one of the possible future uses of portions of the WPWMA's property is to facilitate the siting of industrial or manufacturing operations that utilize materials from the MRF as the feedstock for their products or processes. As Rio Bravo is an existing outlet for wood recovered at the MRF, exploring the concept of siting their operation on the WPWMA's property is consistent with the WPWMA's vision for the future use of its properties and the current master planning efforts.

Staff will continue to provide periodic updates to your Board on the progress of the master planning efforts and, if authorized by your Board, subsequent discussions with Rio Bravo.

**MEMORANDUM
WESTERN PLACER WASTE MANAGEMENT AUTHORITY**

TO: **WPWMA BOARD OF DIRECTORS** DATE: **APRIL 13, 2017**
FROM: **KEN GREHM / ERIC ODDO** 
SUBJECT: **THIRD AMENDMENT TO THE SECOND RESTATED AND AMENDED
MRF OPERATING AGREEMENT WITH NORTECH WASTE LLC**

RECOMMENDED ACTION:

1. Authorize the Chair to sign the Third Amendment to the Second Restated and Amended Operating Agreement (Agreement) with Nortech Waste LLC (Nortech) for operation of the Materials Recovery Facility (MRF), which modifies the Cost of Living Adjustment (COLA) methodology in the Agreement.
2. Approve the attached Budget Revision canceling \$1,207,654 from Assigned Contingency reserves and increase appropriations in line item 2546 for MRF Operations to cover the increase in the processing fees paid to Nortech Waste LLC in FY 2016/17.

BACKGROUND:

A majority of the staff employed by Nortech to operate the MRF currently earn the California Minimum Wage (CMW) of \$10.50 per hour. When the WPWMA and Nortech entered into the Agreement in 2005, the CMW was \$6.75 per hour. In September 2013 and again in April 2016, Governor Jerry Brown approved increases to the CMW according to the attached schedule.

On October 10, 2016, Nortech submitted a letter to the WPWMA (attached) in which they suggested that several “changes in circumstances” have occurred which have materially altered their methods of operations and have increased their costs of providing the services required in the Agreement. One of the changes Nortech referenced was increases in the CMW.

Staff has met routinely with Nortech to better understand the issues noted in their October 2016 correspondence and have subsequently negotiated the proposed Third Amendment to the Agreement (attached) that addresses the CMW issue. Staff will continue to meet with Nortech to address the other, non-CMW issues identified in their letter and return to your Board at a later date with our recommendations.

The proposed Third Amendment revises the COLA methodology identified in the Agreement to better reflect Nortech’s operating cost schedule and specifically includes a factor that takes changes in the CMW into account. While the current COLA methodology in the Agreement includes a factor intended to account for changes in labor costs, the factor does not specifically reflect changes to the CMW. Staff estimates the average annual year-over-year increase in Nortech’s fee structure as a result of the proposed change in the COLA methodology will go from 2.1% to 4.7%.

Given that Nortech began discussing the CMW issue with staff early in this fiscal year and provided your Board with correspondence on this issue in October 2016, staff

recommends that the proposed Third Amendment be made effective retroactively to July 1, 2016. As a result, the applicable processing fees for FY 2016/17 will be adjusted to the amounts shown in the attached table and a payment of \$908,487 will be due to Nortech to account for the tonnages that were processed between July 1, 2016 and March 31, 2017. Processing fees for the remainder of FY 2016/17 will also be paid at these higher rates and payment will be made at the end of the applicable month as stipulated in the Agreement.

As these additional payments will exceed the appropriated amount for MRF Operations identified in the FY 2016/17 Operating Budget, approved by your Board on October 13, 2016, a budget revision (attached) cancelling reserves and appropriating this additional amount is needed.

ENVIRONMENTAL CLEARANCE:

The recommended action is not considered a “project” under the California Environmental Quality Act.

FISCAL IMPACT:

Based on the difference between the current and proposed processing fee structure and the tonnages processed at the MRF between July 1, 2016 and March 31, 2017, a payment of \$908,487 will be due to Nortech following approval of the proposed Third Amendment.

Based on tonnage estimates between April 1, 2017 and June 30, 2017, staff anticipates that Nortech will earn an additional \$284,297 through the end of the fiscal year. As tonnages have generally tracked above budgeted estimates to this point in the fiscal year, staff recommends appropriating an additional \$14,870 to ensure sufficient funding is available through the remainder of the fiscal year.

As a result of the past and estimated future additional payments to Nortech for FY 2016/17, \$1,207,654 will need to be cancelled from reserves and appropriated to MRF Operations line item of the FY 2016/17 Operating Budget.

While future costs will depend greatly on the actual tonnages received and the future computed COLA values, staff currently estimates that as a result of the proposed change to the COLA methodology, the WPWMA will incur approximately an additional \$10.9 million dollars over the remainder of Agreement.¹ This additional cost will likely necessitate the WPWMA accelerate the timing and magnitude of future tipping fees increases.

ATTACHMENTS: CALIFORNIA MINIMUM WAGE SCHEDULE
CURRENT AND PROPOSED PROCESSING FEE SCHEDULE
THIRD AMENDMENT
BUDGET REVISION
LETTER DATED OCTOBER 10, 2016 FROM NORTECH TO THE WPWMA

¹ Assuming your Board elects to extend the term of Agreement through June 2022 in accordance with the WPWMA's extension option identified in the Agreement.

CALIFORNIA MINIMUM WAGE SCHEDULE

Effective Date	Minimum Wage	Percent Increase
January 1, 2002	\$6.75	-
January 1, 2007	\$7.50	11.1%
January 1, 2008	\$8.00	6.7%
July 1, 2014	\$9.00	12.5%
January 1, 2016	\$10.00	11.1%
January 1, 2017	\$10.50	5.0%
January 1, 2018	\$11.00	4.8%
January 1, 2019	\$12.00	9.1%
January 1, 2020	\$13.00	8.3%
January 1, 2021	\$14.00	7.7%
January 1, 2022	\$15.00	7.1%

MRF PROCESSING FEE SCHEDULE

Material	Current Fee	Proposed Fee	Differential
MSW Base Processing Fee (per ton)	\$33.95	\$37.57	\$3.62
C & D Processing Fee (per ton)	\$23.50	\$26.00	\$2.50
Green Waste Processing Fee (per ton)	\$27.00	\$29.88	\$2.88
Wood Waste Processing Fee (per ton)	\$21.00	\$23.24	\$2.24
Waste Tire Disposal Fee (per ton)	\$60.01	\$66.41	\$6.40
Refrigerated Appliance Processing Fee (each)	\$30.00	\$33.20	\$3.20
Non-Refrigerated Appliance Processing Fee (each)	\$5.71	\$6.32	\$0.61
HHW Facility Operating Fee (annual)	\$335,222.20	\$370,946.30	\$35,724.10

ADMINISTERING AGENCY: Western Placer Waste Management Authority

AGREEMENT NO.: 045081

DESCRIPTION: Third Amendment to Second Restated and Amended
Operating Agreement for the Operation of the Western Placer
Materials Recovery Facility

This Third Amendment ("Third Amendment") is made to be effective as of April ____, 2017 between the **WESTERN PLACER WASTE MANAGEMENT AUTHORITY**, a joint powers authority organized under California law (hereinafter referred to as the "Authority"), and **NORTECH WASTE LLC**, a California limited liability company (hereinafter referred to as the "Contractor").

RECITALS

1. The Authority and Contractor have entered into that certain "Second Restated and Amended Operating Agreement for the Operation of the Western Placer Materials Recovery Facility" effective as of July 1, 2010 which was previously amended as of October 16, 2014 by the First Amendment and as of October 8, 2015 by the Second Amendment (hereinafter referred to as the "Agreement").
2. On September 25, 2013, the State of California enacted Assembly Bill 10 which served to amend Section 1182.12 of the California Labor Code and which increased the California Minimum Wage to nine dollars (\$9.00) per hour on July 1, 2014, and to ten dollars (\$10.00) per hour on January 1, 2016.
3. On April 4, 2016, the State of California enacted Senate Bill 3 which served to amend Sections 245.5, 246, and 1182.12 of the California Labor Code and which increased the California Minimum Wage to ten dollars fifty cents (\$10.50) per hour on January 1, 2017, and is scheduled to further increase the California Minimum Wage to eleven dollars (\$11.00) per hour on January 1, 2018, to twelve dollars (\$12.00) per hour on January 1, 2019, to thirteen dollars (\$13.00) per hour on January 1, 2020, to fourteen (\$14.00) per hour on January 1, 2021, and to fifteen dollars (\$15.00) per hour on January 1, 2022.
4. On October 16, 2016, Contractor notified Authority that the aforementioned increases in the California Minimum Wage that have occurred and that are scheduled to occur during the Term of the Agreement.
5. Contractor has informed the Authority that it believes these changes in the California Minimum Wage will materially alter its method of operation of the Facility, will materially increase its costs to perform the services required in the Agreement, and, further, that the changes therefore constitute a "change in circumstances" as defined in Section 4.04 of the Agreement. Contractor has accordingly requested a change in its Processing Fees to reflect the increase in costs.
6. Authority acknowledges that, given the changes in the California Minimum Wage, it is fair and reasonable to modify Contractor's Processing Fees to reflect the increase

in costs on a moving forward basis commencing at the beginning of the current fiscal year.

7. Authority and Contractor agree that, for the purposes of modifying the Processing Fees, it is appropriate to modify the annual cost of living adjustment methodology identified in Section 4.06 of the Agreement to better reflect Contractor's current operating cost structure and the anticipated impacts to this cost structure as a result of changes in the California Minimum Wage.
8. Authority and Contractor agree that the effective day for the change to the cost of living adjustment methodology shall be July 1, 2016.
9. The Authority and Contractor wish to memorialize herein their agreement regarding the same. All references in this Third Amendment to a Section, to an Appendix, or to an Exhibit shall refer to that Section or Exhibit of the Agreement, and all terms defined in the Agreement shall have the same meaning herein.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Section 4.06 shall be amended and shall read in its entirety as follows:

"Cost of Living Adjustment. Contractor's Processing Fees and other fees subject to a cost of living adjustment where expressly indicated in this Agreement, shall be adjusted using the following formula:

New Fee = Operating Year 05/06 Fee x COLA

Where:

$COLA = 0.0100 + 0.3500 \times (PPI_i/PPI_0) + 0.3072 \times (ECI_i/ECI_0) + 0.3328 \times (MW_i/MW_0)$

PPI_i = The Producer Price Index (Commodity Data), All Commodities (Series ID: WPU00000000), Not Seasonally Adjusted as published by the United States Department of Labor, Bureau of Labor Statistics for the month of March of the prior Operating Year to the year the adjustment is to be made (e.g., adjustment for Operating Year 17/18 will utilize statistics from March, 2017).

PPI_0 = The Producer Price Index (Commodity Data), All Commodities (Series ID: WPU00000000), Not Seasonally Adjusted as published by the United States Department of Labor, Bureau of Labor Statistics for the month of March, 2005.

ECI_i = Employment Cost Index, Total Compensation, Private Industry, West (Series ID: CIU202S000400000I); Not Seasonally Adjusted as published by the United States Department of Labor, Bureau of Labor Statistics for the first quarter of the prior Operating Year to the year the adjustment is to be made (e.g., adjustment for Operating Year 17/18 will utilize statistics from the first quarter of 2017).

ECI_0 = Employment Cost Index, Total Compensation, Private Industry, West (Series ID: CIU202S000400000I); Not Seasonally Adjusted as published by the United States Department of Labor, Bureau of Labor Statistics for the first quarter of 2005.

MW_0 = The California Minimum Wage effective as of July 1, 2005 (i.e., \$6.75 per hour)

$MW_i =$ The average of the scheduled California Minimum Wage (applicable to employers with 26 employees or more) for the Operating Year the adjustment is to be made (e.g., adjustment for Operating Year 17/18 will utilize an average of the California Minimum Wages effective January 1, 2017 and January 1, 2018) as summarized below:

<u>Operating Year</u>	<u>MW_i</u>	<u>Operating Year</u>	<u>MW_i</u>
16/17	\$10.25	19/20	\$12.50
17/18	\$10.75	20/21	\$13.50
18/19	\$11.50	21/22	\$14.50

2. Upon execution of this Third Amendment, Contractor shall submit to Authority an application for payment consistent with the requirements identified in Section 4.08 of the Agreement for Processing Fees earned to date for the current Operating Year based on the unit Processing Fee as adjusted by this Third Amendment less any Processing Fees previously billed to Authority by Contractor for the same period.
3. Except as expressly provided in this Third Amendment, the Agreement shall remain unchanged and in full force and effect. After this Third Amendment is duly executed and delivered by Authority and Consultant, this Third Amendment shall be and constitute an integral part of the Agreement

[The remainder of this page intentionally left blank].

IN WITNESS WHEREOF, the Authority and Contractor have executed this Third Amendment as of the day and year first above written.

Western Placer Waste Management Authority

By: _____
Chair,
Western Placer Waste Management Authority

Date: _____

Nortech Waste LLC,
a California limited liability company

By: _____
Stephanie Trehitt, President

By: _____
Paul Szura, Vice President/Assistant
Secretary

APPROVED AS TO FORM:

By: _____
Authority Counsel

BUDGET REVISION

POST DATE:

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
	BR		

Cash Transfer Required

1001

Fund:
SUB Fund:

Establish Reserve Required

1001

GL:
SUB GL:

Reserve Cancellation Required

146

GL:
SUB GL:

[illegible]

REASON FOR REVISION:

Department Head:

Auditor:

County Executive Office:

County Executive Officer or Designee

Approved by Board of Supervisors:

Clerk of the Board of Supervisors Office

Board Date:

Page: of

Technical Revision:



October 10, 2016

Western Placer Waste Management Authority
Mr. Ken Grehm, Executive Director
11476 C Avenue
Auburn, CA 95603

RE: CHANGE IN CIRCUMSTANCES

Dear Mr. Grehm:

Nortech Waste respectfully requests an opportunity to discuss, per article 4.04 of the Second Restated and Amended Operating Agreement ("the Agreement") between Western Placer Waste Management Authority ("WPWMA") and Nortech Waste, LLC ("Nortech") "a change in circumstances" due to several requirements that have been mandated in Applicable Law and Environmental Law. These new requirements have materially altered Nortech's methods of operation and have materially increased Nortech's costs of performing under the Agreement. Nortech hereby requests a potential increase in processing fees and/or a contract extension based on four issues related to the Agreement:

1. On January 8, 2010 the Office of Administrative Law (OAL) approved Part 2 of the California Air Resources Board ("CARB") Statewide Truck and Bus Regulation. In order to comply with the new regulation, Nortech has been required to register its fleet through the state reporting program, and replace equipment before it has reached the end of its useful life. In 2010, Nortech began purchasing new diesel units and will continue to replace out of compliance units with new diesel units through 2022 in order to remain compliant with this regulation.
2. Legislative changes in California's minimum wage laws have mandated significant cost increases. Beginning in January 2007 increases in the minimum wage were mandated from \$6.75 to \$7.50 per hour. The State has continued mandated increases, raising the minimum wage to \$10.00 as of January 2016. This measure is scheduled to increase the minimum wage to \$11.00 per hour, effective January 1, 2017, and by \$1.00 each of the next four years, to \$15.00 per hour on January 1, 2021.
3. In 2014, the California Environmental Protection Agency and the State Water Resources Control Board imposed new requirements for the General Permit for Storm Water Associated with Industrial Activity. A major part of the new regulation has been enhanced minimum Best Management Practices ("BMP") and advanced BMPs to implement when Permit requirements are not met. These changes in allowable BMPs have markedly increased the costs for Nortech to be in compliance with the new requirements.

NORTECH WASTE LLC

3033 Fiddymant Rd. • Roseville, CA 95747 • (916) 645-5230 • Fax (916) 645 5234

4. Unanticipated changes in the waste stream are significantly driving costs. An example of a change is over the last five years the amount of raw materials used to make certain products have decreased. This change has reduced the amount of plastic used to make a plastic bottle by over 50%. This has required Nortech to pick twice as many plastic containers to accumulate a ton. In conjunction with a lighter weight is the reduction in the price per ton due to significantly lower oil prices.

Nortech has analyzed the impacts of these regulations and issues. We believe that the best approach to partially minimize current and future impacts to both WPWMA and Nortech, is to request that formal discussions begin immediately to evaluate prior, current and future impacts and solutions to these regulations. We request the opportunity to discuss with the WPWMA the new technology we have been evaluating and work with the WPWMA now to find answers to these challenging issues that we face. We also want to understand the future goals of the WPWMA so that together we can implement solutions that will achieve those goals.

Throughout its contract Nortech has continuously reinvested in WPWMA's Material Recovery Facility (MRF) to improve its performance and efficiency. Nortech would like to continue to collaborate with WPWMA to improve the facility and keep the reputation of WPWMA's MRF as one of the most innovative and state-of-the-art facilities in the country. Please contact me to discuss how we can move forward on this request.

Sincerely,



Stephanie Trehitt
President
Nortech Waste LLC

Cc: Paul Szura
Bill Zimmerman
Eric Oddo